

Memorandum

To: Bureau Chief Financial Officers

From: R. Schuyler Leshner
Deputy Chief Financial Officer

Subject: Guidance on the Preparation of Fiscal Year 2000 Annual Financial Reports

Attached is guidance for preparing the fiscal year 2000 annual financial reports. This guidance is based on existing Federal accounting guidance and standards published by the Federal Accounting Standards Advisory Board and the Office of Management and Budget. A copy will be maintained on the XA drive ["XA":\BurTeams\FSGT\Guidance\Fy00guid.wpd]. Changes to this guidance will be discussed with the Financial Statement Guidance Team before issuance, posted to the "XA" drive for reference purposes and announced via email.

Please contact Debra Carey on (202) 208-5542 or Donna McKethan on (202) 208-5224 if you have any questions. Thank you for your assistance.

cc: Bureau Deputy Chief Financial Officers
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Chapter 1 General Guidance

A. Introduction

The Department is committed to preparing and publishing complete, concise, understandable, and meaningful information about the financial and operating performance of the Department and the individual bureaus, offices, and programs which comprise the Department. The Chief Financial Officers' Act (CFO Act), as amended by the Government Management Reform Act (GMRA), requires agencies to prepare and publish annual agency-wide financial statements by **March 1**, of the year following the end of the fiscal year.

The Department's financial reporting goals are to achieve and maintain unqualified audit opinions for departmental and bureau financial statements, to strengthen financial controls, and to ensure that financial data produced for management decision-making is reliable, verifiable, and consistent with the annual audited financial statements.

The Department prepares an Accountability Report each year to provide readers with consolidated financial statement data and information on operating performance and management integrity which demonstrates Interior's stewardship over the assets, missions and responsibilities entrusted to it. The report integrates the multiple financial management and performance measurement requirements of the CFO Act, the Government Performance and Results Act (GPRA), the GMRA, and the Federal Managers' Financial Integrity Act (FMFIA) into a comprehensive process.

The Department's financial reporting strategy also includes the preparation of bureau annual reports and financial statements. The Department believes that there are significant and long-term benefits of bureau-wide statements, including verification of the financial and cost accounting data used by management, presentation of a clear and concise summary of bureau operations, accomplishments and concerns, and identification and correction of operating weaknesses such as inventory management and collection of accounts receivable by working capital funds.

B. General Guidance

The Department's goal is to prepare timely, unqualified bureau and consolidated financial statements and make financial management information accessible throughout the year. The guidance put forth in this document is to ensure the goal will be met. **See Appendix A for Key Milestones.**

1. Completion of Audits and Submission of Financial Data

In order to complete the FY 2000 Consolidated Financial Statements by the March 1 due date, audit field work on the bureau financial statements and footnotes must be



completed by **December 15, 2000**. This necessitates that the year-end close take place on a timely basis, and that draft financial statements and other information be provided to the auditors early in the financial statement process.

Each bureau should prepare a summarized timetable of major milestones. This timetable should be completed by each bureau in consultation with their OIG auditors. Adherence to milestones and planned completion dates is critical if the bureau and consolidated reports are to be completed on a timely basis. If at any point it appears that the bureau will not be able to meet the overall due dates, please contact Debra Carey.

Bureaus should also work with the auditors to identify prior to year end any issues which might delay the audit. In addition, preliminary financial statement formats, pro forma footnotes, overview material, and supplemental data should be drafted prior to year end, and agreement reached on the general presentation and crosswalks prior to finalization of the financial data.

2. Quarterly Process

- Quarterly data beginning with 2nd quarter of FY2000 is required.
- Load quarterly trial balance data into Hyperion Enterprise Application.
- Prepare a complete set of unadjusted financial statements.
- Send financial statements, analysis and reconciliation results to Bureau CFO and PFM.

3. Year End Process

- Load preclose unadjusted trial balance data (13th month) into Hyperion Enterprise Application.
- Prepare a complete set of financial statements.
- Send financial statements, analysis and reconciliation results to Bureau CFO and PFM.
- End of field work (all adjustments posted).

4. Transmittal of Annual Financial Reports

In order to deliver the annual financial reports to the Office of Management and Budget by Wednesday, February 28, 2001, PFM must receive the bureau's "glossy" annual financial statements no later than **Thursday February 22, 2001**.

The transmittal to PFM should include **15 copies** of the bureau's printed annual report. A cover memo from the Bureau Director is not required.



C. Authoritative Hierarchy

On October 19, 1999, the American Institute of Certified Public Accountants' (AICPA) Council designated the Federal Accounting Standards Advisory Board (FASAB) as the accounting standards-setting body for Federal government entities under Rule 203 of the AICPA's Code of Professional Conduct. With this designation, Federal Government reporting entities will be able to obtain audit opinions that indicate that the financial statements are presented in conformity with generally accepted accounting principles (GAAP).

1. Statements of Federal Financial Accounting Standards

The following Statements of Federal Financial Accounting Standards (SFFAS) are currently effective. The provisions of these standards must be applied in the preparation of all financial statements. For complete view of standards, see web site: <http://www.financenet.gov/financenet/fed/fasab/concepts.htm>.

SFFAS #1:	Accounting for Selected Assets and Liabilities
SFFAS #2:	Accounting for Loans and Loan Guarantees
SFFAS #3:	Accounting for Inventory and Related Property
SFFAS #4:	Managerial Cost Accounting
SFFAS #5:	Accounting for Liabilities of the Federal Government
SFFAS #6:	Accounting for Property, Plant and Equipment
SFFAS #7:	Accounting for Revenue and Other Financing Sources
SFFAS #8:	Stewardship Reporting
SFFAS #9:	Deferral of the Cost Accounting Standard
SFFAS #10:	Accounting for Internal Use Software
SFFAS #11:	Amendments to Accounting for Plant, Property & Equipment - Definitional Changes - Amends SFFAS #6 & #8
SFFAS #12:	Recognition of Contingent Liabilities Arising from Litigation: Amends SFFAS #5
SFFAS #13:	Deferral of Paragraph 65.2 – Material Revenue-Related Transactions Disclosures - Amends SFFAS #7
SFFAS #14:	Amendments to Deferred Maintenance Reporting - Amends SFFAS #6 & #8
SFFAS #15:	Standards for Management's Discussion and Analysis
SFFAS #16:	Amendment to Accounting for Plant, Property & Equipment: Multi-Use Heritage Assets - Amends SFFAS #6 & #8
SFFAS #17:	Accounting for Social Insurance
SFFAS #18:	Amendment to Accounting Standards for Direct Loans and Loan Guarantees

The published standards, along with other elements of the financial reporting hierarchy, constitute Generally Accepted Accounting Principles (GAAP) of the Federal Government, although still considered as "other comprehensive basis of



accounting” by AICPA.

2. Interpretations of SFFAS

Five interpretations of Federal Accounting Standards have been issued. They are:

Interpretation # 1: Reporting on Indian Trust Funds in General Purpose Financial Reports of the Department of the Interior and in the Consolidated Financial Statements of the United States Government: An Interpretation of SFFAS # 7.

Interpretation # 2: Accounting for Treasury Judgment Fund Transactions: An Interpretation of SFFAS # 4 and SFFAS # 5. This interpretation requires that the agency report the liability and expense related to claims and lawsuits against it, regardless of whether those claims will ultimately be paid by the agency or the Judgment Fund.

Interpretation #3: Measurement Date for Pension and Retirement Health Care Liabilities.

Interpretation #4: Accounting for Pension Payments in Excess of pension Expense.

Interpretation #5: Recognition by Recipient Entities of Receivable Non-exchange Revenue: An Interpretation of SFFAS #7.

3. OMB Form and Content Guidance

OMB Bulletin 97-01, “Guidance on the Form and Content of Agency Financial Statements,” with an amendment is effective in its entirety. Also, Technical Amendments to OMB Bulletin 97-01, Form and Content (FY 1999 and FY 2000) dated January 7, 2000 can be found on OMB’s web page. Note that the provisions of published SFFAS and interpretations take precedence over OMB Form and Content Guidance.

4. Other Authoritative Guidance

If questions arise regarding issues that are not addressed by SFFAS or OMB Form and Content guidance, the agency should look to authoritative guidance issued by other standard setting bodies, such as the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

5. Statements of Federal Financial Accounting Concepts

Statements of Federal Financial Accounting Concepts (SFFAC) are not authoritative, per se, and do not have required implementation dates. Three have been issued to



date:

- SFFAC #1: Objectives of Federal Financial Reporting
- SFFAC #2: Entity and Display
- SFFAC #3: Management's Discussion and Analysis

The Entity and Display document contains very useful guidance regarding the completeness of the entity (i.e. which funds and commissions should be included in the reporting entity) and the presentation of financial information. OMB will rely on these concepts when establishing Form and Content Guidance and in answering any questions regarding what activities should be included as part of the reporting entity.

6. Outstanding Exposure Drafts

Exposure Drafts currently under review are:

- a. Amendments to Accounting Standards for Direct Loans and Loan Guarantees in SFFAS #2 and #18.
- b. FASAB Technical Bulletin 2000-1

D. Completeness of the Reporting Entity

Each bureau is responsible for ensuring all of their trial balances are loaded into Hyperion Enterprise including funds managed by the bureau, but reported by others. This includes trial balances for Conservation Funds and MMS Custodial Activity. Recent guidance, including SFFAS #2, "Entity and Display" and statements from OMB, has emphasized that the ultimate objective is that the reporting entity should be complete.

SFFAS # 2 lists various criteria to use when determining whether a fund, commission or activity is part of the reporting entity. The general rule is that if the Treasury Fund Symbol of an activity indicates that it is part of a bureau, it should be reported in the financial statements of that bureau. Inclusion in the budget is referred to as the "conclusive criterion."

There may be instances when funds, commissions or activities are excluded from the budget for political or other reasons, but which, for completeness, should be included as part of the reporting entity. SFFAS #2 lists a number of "indicative criteria" for use in determining whether a given activity should be included as part of the reporting entity. The indicative criteria must be considered in their entirety using professional judgment and the facts and circumstances of the activity. There is no formula which specifies a certain conclusion when a certain number of indicative criteria are met by the activity.



Common Issues

- **Miscellaneous Receipts:** As a rule, transactions to record miscellaneous receipt activity (i.e. where funds are collected by the bureau as a result of bureau operations or activities and later forwarded to Treasury) should be reflected in the bureau's financial statements, including entries to revenue, transfers out and/or accounts payable as appropriate.

- **Job Corps:** Job Corp sites operated by Department under transfer appropriations from the Department of Labor should be reported as part of the bureau financial statements. This is consistent with the accounting treatment of other transfer appropriations received by the Department.



Chapter 2

Financial Statements

A. General Information

OMB Form and Content Bulletin 97-01 requires the use of the statement formats stated below. Comparative data is required for statements (1) through (6) below. Statements containing comparative data allow the reader to make appropriate comparisons with prior periods.

1. Statement of Financial Position: Presents assets (entity and non-entity combined), liabilities (those covered and not covered by budgetary resources combined) and net position. The breakdown of assets and liabilities can be reported in footnotes rather than on the face of the financial statements. (Segment data optional, but preferred.)
2. Statement of Net Cost: Shows the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. (Segment data required.)
3. Statement of Changes in Net Position: Reports the beginning net position, the items which caused net position to change during the reporting period, and the ending net position. (Segment data required.)
4. Statement of Custodial Activity: Shows an account of sources and disposition of collections of non-exchange revenue for the General Fund of the Treasury, a trust fund, or other recipient entities. (MMS only)
5. Statement of Budgetary Resources: Provides information about how budgetary resources were made available and their status at the end of the period. It summarizes "SF-133" budgetary information for the reporting entity. (Presentation of "major budget activities" required.)
6. Statement of Financing: Reconciles budgetary information to accrual cost information and insures a proper relationship between proprietary and budgetary accounts in the financial management system. This information may be presented in a footnote schedule rather than a primary financial statement.

Each bureau is responsible for communicating to its auditors expected changes in the types of financial and non-financial data presented in the overview, footnotes and supplemental data as well as exact financial statement and segment statements to be prepared. Third quarter reports should be used to illustrate the intended year-end presentation.



B. Intra-Bureau and Intra-Department Eliminations

The Eliminations Subgroup of the SACAT was formed in FY1998 in response to various governmental directives requiring that intra-departmental transactions be eliminated from the combined financial statements of the Department. The Eliminations Subgroup has since revamped its procedures to be in compliance with current reporting requirements.

Each Bureau agreed to implement a Department-wide strict system assurance plan with appropriate corrective steps, on a monthly basis. The process steps include:

- (1) Use accrual accounting principles for all general ledger accounts.
- (2) Provide an accountable contact for the transactions posted and reconciled.
- (3) Review the VEND table (FFS) or the vendor file (ABACIS) monthly for inappropriate government entries, and non-government entries that should be government. Make corrections. This will ensure the integrity of the trading partner database, whether inter-Bureau or intra-governmental.
- (4) Review the monthly Journal entries for the errors detected in Step (1). Make appropriate corrective entries. This will ensure the integrity of the data recorded. Note that ABACIS bureaus will have a more intensive manual review since the vendor file is missing critical data and all transactions will have to be analyzed.
- (5) Sample monthly transactions for accuracy in data entry. This may uncover wrong government vendors (ex. NPS that should be USGS; USDA that should be GAO). This will ensure the accuracy of the data.
- (6) Enter summary data, on a quarterly basis, into the ATB of Hyperion Enterprise. The Bureau will have complete data in the warehouse or other storage medium to back up the summary figures. Hyperion Enterprise will create reconciliation reports for the Bureaus.

C. Intra-Government Expenses

There are three types of Intra-government expenses to be reflected in the financial statements (one from the Office of Personnel Management and two from the Department of Labor). These expenses should be reported as part of operating expenses on the Statement of Net Cost and are listed below.

1. Employee Pension and Retirement Benefit Expenses

This expense is an “imputed cost” for retirement costs paid by the Office of Personnel Management which will never be paid by the Department. The Office of Personnel Management (OPM) provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. Under Federal accounting standards, the cost of these benefits must be reflected on the financial statements of the agency that receives the benefit. The Department will present these costs as part of operating expenses on the face of the financial statement (and is identified as employee benefit expense in the operating expense footnote). The



Bureaus may elect to present them on a separate line as long as they remain a part of total expenses. Imputed Financing Sources are separately identified on the Statement of Net Position. The journal entry is provided below for future use when annual rates are provided by OPM:

a. Journal Entry

<u>Account</u>	<u>Description</u>	<u>DR</u>	<u>CR</u>
6730.G.24	Imputed Costs	xxx	
578A.G.24	Imputed Financing Sources		xxx

2. Department of Labor (DOL) Actuals & Accruals

The Department of Labor provides information to the Department regarding the two types of workers compensation figures that must be reflected in agency financial statements.

The journal entries (proprietary) are provided below for each type of liability.

a. FECA Accrued Liability

FECA accrued liability is the difference between the FECA benefits actually paid by the FECA Special Benefits Funds to beneficiaries (through the current fiscal year) and the agency's actual cash payments to the Fund (through a prior fiscal year). There is generally a two to three year timing difference between these payments. The accrued FECA liability equals actual payments due, but not yet paid due to timing differences.

- To record an increase in unfunded FECA liability.

6800.G.16	Future Funded Expense	xxx	
2220.G.16	Accrued Unfunded Liabilities		xxx

c. FECA Actuarial Liability

The FECA actuarial liability represents estimated future payments for disabled workers presently in the system. It includes the expected liability for death, disability, medical, and other approved costs and is recorded as a liability to the public.

- To record an increase in FECA Actuarial Liability received from DOL

7600.N	Change in Actuarial Liability (Unfunded)	xxx	
2690.N	Other Actuarial Liabilities		xxx

Note: SGL 7600 will be presented as expense on the Statement of Net Cost.



E. Balance Sheet Presentation

FASAB guidance requires the presentation of information about Intra-governmental and Governmental Assets and Liabilities, Entity and Non-Entity Assets and Funded and Unfunded liabilities.

1. “Intra-governmental assets and liabilities” should be reported separately from “governmental assets and liabilities” on the face of the financial statements.
 - a. Intra-governmental assets and liabilities arise from transactions among federal entities. Intra-governmental assets include an entity's fund balance with Treasury, investments in Treasury securities, accounts and interest receivable from federal entities, and advances and prepayments to federal entities. Intra-governmental liabilities include accounts and interest payable to federal entities and other current liabilities due to federal entities, such as receipt of federal advances and prepayments.
 - b. Governmental Assets and Liabilities arise from transactions with non-federal entities, e.g. persons, governments and organizations outside that are not part of the U.S. government. The term public is also used to refer to non-federal entities. Governmental assets include cash, accounts and interest receivable from non-federal entities, and advances and prepayments made to non-federal entities. Governmental liabilities include accounts and interest payable to non-federal entities, other liabilities due to non-federal entities, and advances and prepayments received from non-federal entities.
2. Both “Entity Assets” and “Non-Entity Assets” under an entity's custody or management should be included in the reporting entity's financial statements. The amount of Entity and Non-Entity Assets must be disclosed either on the face of the financial statements or in the notes to the financial statements. “Entity Assets” are those assets which the reporting entity has authority to use in its operations. “Non-entity assets” are those assets that are held by an entity but are not available to the entity. An example of non-entity assets are customs duty receivables that the Customs Service collects for the U.S. government but has no authority to spend. Note that an amount or amounts equal to non-entity assets should be recognized as a liability (due to Treasury or other entities) in the financial statements.
3. Funded and Unfunded Liabilities: The amount of Funded and Unfunded Liabilities must be disclosed either on the face of the financial statements or in the notes to the financial statements. Liabilities are recognized when they are incurred regardless of whether they are covered by available budgetary resources. This includes liabilities related to appropriations canceled under "M" account legislation. Liabilities of Federal agencies are classified as:



- a. "Funded Liabilities", i.e. those that are covered by budgetary resources as of the balance sheet date, or
- b. "Unfunded Liabilities", i.e. those that are not covered by budgetary resources as of the balance sheet date.

Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include: (1) new budget authority, (2) spending authority from offsetting collections (credited to an appropriation or fund account), (3) recoveries of unexpired budget authority through downward adjustments of prior year obligations, (4) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, and (5) permanent indefinite appropriations or borrowing authority, which have been enacted and signed into law as of the balance sheet date, provided that the resources may be apportioned by OMB without further action by the Congress or without a contingency having to be met first.



Chapter 3

Responsibility Segment Reporting, GPRA Performance Measures & Cost Accounting

A. Responsibility Segment Reporting

SFFAS #4 requires the presentation of responsibility segment (segment) information.

Segments should be established in coordination with Government Performance and Results Act (GPRA) Reporting, and may be defined according to operational units, underlying mission, geographic regions, or any other categorization which the bureau believes would provide meaningful information to users of the financial report. Bureaus should ensure that responsibility segments are consistent with the “GPRA Program Activities” in the GPRA annual performance plans. In general, segments should be high level and must be linked to GPRA activities. Note that segment data presented will be covered by the auditor’s opinion and so will be subject to audit procedures.

The data may be reported on the face of the financial statements, as footnote information or as supplemental information. Financial statement examples developed by FASAB and OMB often illustrate the presentation of segment data on the face of the statement, however, this presentation can easily appear “cluttered” and can cause difficulties in the presentation of comparative data. Use of the footnote or supplemental data sections of the report for segment data is encouraged, as this tends to permit greater flexibility in reporting and improve the clarity of the information.

Segment information is required for the following financial statements:

- Statement of Net Cost
- Statement of Changes in Net Position
- Statement of Budgetary Resources by “major budget function”.

B. GPRA Performance Measures

One of the most important tools the Department has for communicating our accountability to the public is through reporting performance results in the Departmental Accountability Report, bureau annual financial reports and the Annual Performance Report. Fiscal year 2000 will be the second year performance measurement results were reported under the (GPRA). Performance results are required to be reported in an Annual Performance Report, in the Department Accountability Report and in bureau annual financial reports.

The systems used to accumulate GPRA performance data reported in the Department Accountability Report and the bureau annual financial reports will be reviewed by the Inspector General although the scope of review has not yet been determined by the Office of Management and Budget.



The Annual Performance Report will report on all performance measures included in the related fiscal year Annual Performance Plan. A subset of the annual performance measures will be selected to be reported in Bureau annual financial reports and in the Departmental Accountability Report. The measures selected for presentation in the bureau annual financial reports should concisely communicate the bureau's degree of success in meeting their mission goals. The selection of which measures will be reported in the bureau annual financial reports and the Accountability Report will be jointly decided by bureau management, PPP and PFM. At least one performance measure will be reported for each responsibility segment in the Department.

The performance measures to be selected for inclusion in the Departmental Accountability Report will be those that best demonstrate the success and failure in achieving the Department's five goals to:

1. Protect the environment and preserve our Nations' natural and cultural resources;
2. Provide recreation for America;
3. Manage natural resources for a healthy environment and a strong economy;
4. Provide science for a changing world; and
5. Meet our responsibilities to American Indians and our commitments to Island Communities.

Bureaus, in conjunction with their GPRA representative, need to determine which goals and performance measures to include in bureau annual financial reports and in the Department's Accountability Report. The proposed goals and measures should be:

- Clearly linked to the five Departmental goals;
- Representative of the bureau GPRA Program Activities;
- Representative of the bureau missions;
- Clearly and readily understood;
- Outcome oriented, rather than activity, output, or process oriented;
- Supported by quantifiable and reliable data, with a clear collection process and sound reporting system;
- Supported by data that will be available to meet fiscal year-end reporting requirements; and
- Expected to relate to long-term goals to be included in the FY 2000 - FY 2005 Strategic Plans.
- Representative of a significant portion of the resources devoted to each segment.

Unit cost performance measures are encouraged to be reported where:

- cost comparisons of a unit cost of a service or product can be compared with a similar service or product produced by other entities in the private sector following set standards.
- cost comparisons of a unit cost of a service or product can be compared with similar services or product produced by other entities in the Federal Government where



- reporting standards have been established by authoritative governmental bodies.
- information on program costs is being used for cost-benefit considerations such as program authorization, modification, or discontinuation.

Unit cost performance measures are those measures where the performance, as measured in terms of units, can be divided into the full cost to provide a meaningful unit cost measure that focuses management on an efficiency or effectiveness goal to improve performance. For inclusion in the financial statement reporting, unit costs measures should use full costing concepts defined in SFFAS # 4, except where common commercial practices or regulatory authority exists or other organizations use a standard method for comparisons that is not the same as the SFFAS standard. In those cases, cost should be accumulated following the appropriate standards established for the community being used for comparative purposes. Assumptions and/or standards used to accumulate unit costs should be disclosed along with the unit cost performance measures.

Other unit cost information may be tracked by the Department for management purposes that would not be reported as part of the Departmental performance measurement process. Unit costs computed for management purposes may be based either on full cost or a subset of full cost appropriate to the management purpose.

It will remain a Bureau responsibility to ensure that data used in reporting on performance measures in the bureau annual financial reports is consistent with data reported in the Departmental Accountability Report and the Annual Performance Report.

Effective reporting is critical to the Department to ensure Congress and the Public that the Department is accountable for carrying out its missions effectively and efficiently and that the Department is properly managing its resources.

C. Cost Accounting

The Department is required to comply with the Managerial Cost Accounting Concepts and Standards for the Federal government (SFFAS #4). **See Appendix B for the Managerial Cost Accounting Data Request.** The following requirements will apply for FY 2000:

To meet financial statement requirements:

- The responsibility segments identified should be directly related to the GPRA Program Activities of a bureau and must be established in the Hyperion Enterprise Consolidated Financial Statement (CFS) Application. This approach correlates with the FASAB Managerial Cost Accounting Standard (SFFAS #4) which defines a responsibility segment as a component of a reporting entity that is responsible for carrying out a mission, conducting a major line of activity, or producing one or a group of related products and services.
- Performance Measures presented for each responsibility segment should provide an



appropriate reflection of the results of the GPRA Program Activity for which the costs are reported. Both positive and negative results should be reflected. Negative results should not be used as a justification for exclusion of a measure. The Accountability Report disclosures will provide the opportunity to interpret information regarding positive or negative performance.

- Certain bureaus may elect to report administrative type performance measures which are not related directly to a specific responsibility segment but which apply to all responsibility segments. This is acceptable but is not required. Certain strategic initiatives, such as performance on diversity goals, are planned to be reported on a Department-wide basis and therefore do not need to be reported in bureau annual financial reports.
- The official cost records for responsibility segments must be based on the core accounting records of the bureau and reflected in the Hyperion Enterprise Consolidated Financial Statement (CFS) Application. In cases where costs accumulated in the core accounting records relate to more than one responsibility segment, the costs should be assigned to the appropriate responsibility segments. If data is available, the cost assignment may be done by directly mapping accounting data to responsibility segments in the CFS Application. Otherwise, “cost finding” techniques should be used to allocate cost data to responsibility segments, for example by assigning a costs to segments on a percentage basis.
- Within a responsibility segment, bureaus may determine that more than one cost object¹ is needed or desired, for example to properly segregate costs into the 5 major Department goals. This is acceptable. However, if such a segregation is necessary, it must be reflected in the CFS Application. For example, one of BLM’s responsibility segments is “Provide Economic and Technical Assistance.” At BLM, this responsibility segment includes Payments in Lieu of Taxes paid to states, and technical support to American Indian Tribes. Thus this segment supports two Departmental Goals, i.e. the “Manage Natural Resources for a Healthy Environment and Strong Economy” goal and the “Meet Our Trust Responsibilities to Indian Tribes and Our Commitments to Island Communities” goal. Thus, BLM may define two separate cost objects in this responsibility segment, and cost would be accumulated in the CFS Application for each. Performance measures may be identified for each cost object.

To meet Management Cost Accounting requirements:

- For management purposes, there may be intermediate cost objects that are used in the course of the cost assignment process. In addition, Bureaus may wish to accumulate

¹ Cost Object (also referred to as Cost Objective) - An activity, output, or item whose cost is to be measured. In a broad sense, a cost object can be an organizational division, a function, task, product, service, or a customer. (SFFAS No. 4, Appendix B, Glossary)



costs at levels more detailed than that necessary for financial reporting.

- For management purposes, cost information is used for a variety of purposes. Figure2 of the JFMIP Managerial Cost Accounting Implementation Guide, (XA:\BurInfo\Refernc\CostActg\Guidedoc\figure2), provides an overview of the interrelationship of cost accounting information in the Federal government. This data is not expected to be accumulated in the CFS Application nor presented in published financial reports. This data is for management or other reporting purposes within the Department.



Chapter 4

Management's Discussion & Analysis

SFFAS #15 establishes the standards for preparing Management's Discussion and Analysis (MD&A). The purpose of MD&A is threefold:

1. To communicate managers' insights about the reporting entity.
2. Increase the understandability and usefulness of the accountability or annual report.
3. Provide understandable and accessible information about the entity and its operations, service levels, successes, challenges, and future.

The MD&A should be regarded as "required supplementary information" and should discuss important problems that need to be addressed, and actions that have been taken or planned. MD&A should address the entity's:

- mission and organizational structure;
- performance goals, objectives, and results;
- financial statements;
- systems, controls, and legal compliance; and
- possible future effects of existing, currently-known demands, risks, uncertainties, events, conditions and trends.

Actions needed, taken, and planned may be discussed within the areas listed above or in a separate section of MD&A. Management of the reporting unit is responsible for the content MD&A.

The statement of standards also states:

"Because MD&A must be concise if it is to be useful, management, must select the most important matters to discuss. This means that some items that are material to the financial statements, notes, and other sections of the GPFFR [general purpose federal financial report] may not be discussed in MD&A.

MD&A should deal with the "vital few" matters, i.e., the most important matters that will probably affect the judgments and decisions of people who rely on the GPFFR as a source of information."
(SFFAS #15, Paragraphs 5 & 6)

The standards are now in effect for reporting periods that began after September 30, 1999.



Chapter 5

Notes to the Financial Statements

A. General Information

Notes (footnotes) to the financial statements are added to meet the requirements of full disclosure. They are used to help users of the financial statements interpret some of the more complex items and are considered an integral part of the financial statements. The notes are to be prepared in accordance with the guidance contained in OMB Bulletin 97-01 (Form and Content of Agency Financial Statements). In general, to facilitate the prompt completion of the financial reports, footnote text and pro forma schedules should be drafted prior to the fiscal year end.

There are three types of notes:

1. Accounting policy

- Summarizes the accounting principles and methods of applying those principles.
- Disclosure should encompass important judgement as to valuation, recognition, and allocation of assets, liabilities, expenses, revenues and other financing sources.
- Disclosure of any significant changes in the composition of the reporting entity or significant changes in the manner in which the information is combined for financial reporting purposes.

Example: Property and equipment are recorded at cost. Depreciation and amortization are provided using the straight-line method over the useful lives generally ranging from 5 to 20 years.

2. Explanatory (Data)

- Explains specific items presented in the main body of the financial statements.
- Can be partially or totally narrative.
- Describes details too voluminous for inclusion in the financial statements.

Example: Depreciation of equipment for the current fiscal year is \$6,000,000.

3. Supplemental Information

B. Footnote Data Collection

All footnote data will be available from trial balances. Hyperion Enterprise will be used to collect data and to minimize extra “data calls”. The charts below are excerpts from the Notes Memo Account in the Formulas Module in Hyperion Enterprise. Required information from the bureau is designated as “INP”. The “SUM” lines are calculated



amounts and the other account lines will automatically be populated with data from the database.

1. Operating Expenses by Budget Object Class (BOC) Footnote Data

BOC_SAL_BEN	=	INP
BOC_TRAV	=	INP
BOC_RENT	=	INP
BOC_PRINT	=	INP
BOC_CONTR	=	INP
BOC_SUPP	=	INP
BOC_ACQ_PPE	=	INP
BOC_ACQ_STEWLAND	=	INP
BOC_ACQ_HERITAGE	=	INP
BOC_GRANTS	=	INP
BOC_OTHER	=	INP
Calc_TOT_BOC_EXP	=	SUM(#BOC_SAL_BEN)
Chk_TOT_BOC_EXP	=	#6100
BEN_EXP	=	#6400
OPM_COSTS	=	INP
JUDGE_FUND	=	INP
OTHER_COSTS	=	INP
Calc_TOT_IMP_COST	=	SUM(#OPM_COSTS)
Chk_TOT_IMP_COST	=	#6730
TOT_COGS	=	#6500
Calc_OP_EXP_COGS	=	#Chk_TOT_BOC_EXP + #BEN_EXP + #Chk_TOT_IMP_COST + TOT_COGS
Chk_OP_EXP_COGS	=	#OP_EXP

2. Accounts Receivables Aging Footnote Data (Non-Gov)

ACCT_REC_UNBILLED	=	#ACCT_REC_UNB.N
AGING_CUR	=	INP
AGING_1TO180	=	INP
AGING_181TO365	=	INP
AGING_OVER1YR	=	INP
INT_REC	=	#134A.N+#134B.N+#1360.N
ALLOWANCES	=	#1319.N+#1349.N+#1369.N
Calc_TOT_AGING	=	SUM(#AGING_CUR)
Chk_TOT_AR_INT	=	#TOT_AR_INT.N

3. Unexpended Appropriations Footnote Data

OBL_UNDEL_ORD	=	INP
UNOBL_AVAIL	=	INP
UNOBL_UNAVAIL	=	INP
Calc_TOT_UNEXP_APPR	=	SUM(#OBL_UNDEL_ORD)
Chk_TOT_UNEXP_APPR	=	#UNEXP_APPR



The procedures to enter data into Hyperion Enterprise are as follows.

Step 1: Open Hyperion Enterprise Application

Step 2: Change Point of View of the following:

Category: FY2000
Period: Q4 00
Organization: SEGMENT_ORG
Entity: 14 __9998 (__ denotes bureau number)
This entity does not have to be at the INP (input) level.
Account: Not specific.

Step 3: Click on Data Entry Module

If the screen does not show all quarters, use the scroll bar at the bottom of the screen to show the Period.

Step 4: Go to File, Open Schedule and Select Footnotes. This will take you to the BOC Account input screen, Use the side scroll bar to get to Footnote Data Accounts located at bottom of Accounts list.

Step 5: Enter data in appropriate accounts.

Note: Data can be entered in the white boxes only.

Step 6: Save data.

C. Required Footnote Disclosure (Department Level Only)

Certain disclosures prescribed by OMB Form and Content and described below are relevant only at the Department reporting level. These disclosures may be omitted from bureau-level financial reports. For FY 1999 and beyond, intra-governmental gross cost and earned revenue shall be disclosed in the notes by budget functional classification for the reporting entity and transactions with intra-governmental entities. Gross cost and earned revenue should be net of intra-entity transactions (consolidated). Disclosure of gross cost and earned revenue by budget functional classification may be limited to the consolidated agency-wide financial statements.

The budget functional classification used by the Department are:

- Natural Resources
- Community and Regional Development (includes BIA's education program)
- General Government
- Transportation
- Other



A Budget Functional Classification (BFC) organization structure has been developed in Hyperion Enterprise to simplify the process of data collection and reporting. It will also ensure the balances disclosed in the footnote disclosure agrees with the balances reported on the face of the Net Cost Statement.



Chapter 6

Accounting for Property, Plant and Equipment

A. Property, Plant & Equipment

The Statement of Federal Financial Accounting Standards (SFFAS) #6, “Accounting for Property, Plant and Equipment provides accounting requirements for Federally owned property, plant and equipment. Areas with particular Departmental guidance are noted below.

B. Leases

The SFFAS #6 requires recognition of capital leases as well as disclosures related to capital and operating leases. If capital and operating leases are determined to be immaterial, Bureaus should document this conclusion in work papers and make this analysis available to the OIG if requested.

C. Deferred Maintenance

1. Introduction

The Statement of Federal Financial Accounting Standards #6, “Accounting for Property, Plant and Equipment,” requires annual disclosure of the estimated cost to remedy accumulated deferred maintenance on Interior plant, property, and equipment (PP&E) beginning in 1998. Both General PP&E and Stewardship PP&E are included. At a bureau option, the deferred maintenance cost may be further divided between “critical” and “non-critical.”

The Department has developed a Five-Year Plan that provides a framework for improved planning and management to maintenance and construction programs and better defines accumulated deferred maintenance funding needs. In developing the Five-Year Plan, the Department established uniform criteria critical health and safety and resource protection projects, and through rigorous screening, prioritized the projects based on these criteria. Maintenance and Construction projects in the Five-Year Plan are ranked in accordance with established criteria, with greatest emphasis applied to deferred maintenance needs in critical health and safety and resource protection. Bureaus not covered by the Interior and Related Agencies Appropriations must still accumulate data in accordance with this guidance for purposes of inclusion of deferred maintenance information in annual financial reports.

FASAB requires that all deferred maintenance be reported regardless of when it might be performed, not just that included in the Five-year Plans. The long-term goal is to have a deferred maintenance backlog information based on condition



assessments recorded in a facilities maintenance management information system. However, bureaus that do not currently have that capability should report based on the following.

To comply with this requirement and the associated audit, all deferred maintenance should be disclosed including deferred maintenance identified in the Five-year Plans, and any other deferred maintenance needs and/or projects to be performed in years beyond the Five-Year Plans.

When projects on the Five-Year plan lists contain both deferred maintenance and capital improvement work, it is important to only report the estimated cost of the deferred maintenance.

2. Categories of Deferred Maintenance

The deferred maintenance categories in the Five-Year Plan are as follows:

- a. Critical Health and Safety Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to public or employee safety or health.

Examples:

- A public building that is diagnosed to be at high risk for structural failure.
- Compliance with Notices of Violation (OSHA, EPA, etc.)
- Implementation of court-ordered repair or clean-up schedules.
- Safety deficiencies at “High Hazard” and “Significant Hazard” dams that if not corrected may cause the structure to fail, resulting in public or employee injury or death.
- Road projects (non-ISTEA eligible) to correct serious safety deficiencies.
- Repair of a failing fire alarm and/or existing sprinkler system.

- b. Critical Resource Protection Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to natural or cultural resources.

Examples:

- Deficiencies that poses the risk of serious decline in a fish or wildlife resource.
- Repairs to a building housing a museum collection which is threatened because of the poor building condition.
- Repair of a sewage system that has breached and is leaking into a perennial stream system.



- Repairs to cultural/historic facilities and/or fabric to prevent loss.

- c. Critical Mission Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to a bureau's ability to carry out its assigned mission.

Examples:

- Deficiency in electrical power generation capacity resulting from deferred maintenance.
- Repair of deferred maintenance items at a visitor center or other public facility that if not accomplished will quickly compromise the public's investment in the structure.

- d. Compliance and other Deferred Maintenance: A facility deferred maintenance need that will improve public or employee safety, health, or accessibility; compliance with codes, standards, laws, complete unmet programmatic needs and mandated programs; protection of natural or cultural resources to a bureau's ability to carry out its assigned mission.

Examples:

- Providing universal ADA accessibility.
- Compliance with Federal, state, and/or local building codes.
- Facility repair or rehabilitation to increase program efficiency.
- Energy conservation projects.

Note: Needs identified under this category should be coded to enable retrieval of those needs addressing health, safety, accessibility, and other code compliance requirements ("unfunded requirements").

As a general rule, deferred maintenance is not estimated on equipment. However, if the nature of operations is such that deferred maintenance on equipment is considered to be significant and meaningful, the bureau may report this information. In this case, deferred maintenance on equipment should be separately disclosed.

3. Condition Assessments

The assessment of deferred maintenance for the Department is dependent upon the bureaus having accurate and complete facilities information. In order to ensure that the most critical needs are being addressed, it is essential that the bureaus have a complete inventory of their constructed assets and identify the cost of correcting the deferred maintenance needs associated with those assets. The Department's Five Year Deferred Maintenance and Capital Improvement Plan covers deferred maintenance including all unfunded work required to bring a



facility and its collateral equipment to a condition that meets accepted codes, laws, and standards (e.g. life safety code, ADA, environmental regulations, etc.); and to preserve the facility so that it continues to provide acceptable services and achieves its expected life.

In addition, accumulation of facility data will provide the necessary information for compliance with the Federal Accounting Standard which requires annual reporting of deferred maintenance of fixed assets (FASAB #6, Accounting for Property, Plant and Equipment). Interior has chosen condition assessment as the method to be used for determining the deferred maintenance for each class of constructed asset.

The following steps are required to achieve Interior-wide consistency in determining the physical condition of constructed assets:

- a. Initiate a uniform methodology and a core data set for the facility condition assessments so as to ascertain the deferred maintenance and repair needs of all existing facilities and validate facility inventories.
- b. Ensure that the condition assessments are conducted by competent and qualified personnel using uniform, comprehensive survey criteria.
- c. Develop automated systems that accurately document facilities' needs; can be easily reviewed and updated by field and regional staffs; and are capable of being aggregated to any bureau and Department level. Documentation should include standard need descriptions and associated cost estimating procedures.
- d. Establish for each bureau a cyclic/recurring condition assessment process where on-site inspections are conducted at a minimum every five years by qualified personnel to determine the condition and accuracy of the inventory and deferred maintenance needs.

It is understood that it will take a multi-year effort for the bureaus to accomplish complete condition assessments on all of their constructed assets. However, over time the process of cyclic condition assessments will greatly improve the quality of the Five-year Plans as annual updates are made with better facility needs data.

4. Definitions

a. Deferred Maintenance

Deferred maintenance is defined in SFFAS #6 as maintenance that was not performed when it should have been or when it was scheduled and which, therefore, was put off or delayed for a future period.



Deferred maintenance needs may be further categorized in two tiers, critical and non-critical. Delaying correction of non-critical needs may result in their becoming critical facility or equipment deficiencies at a future time.

Code compliance (e.g. life safety, ADA, OSHA, environmental, etc.) and other regulatory or Executive Order compliance requirements not met on schedule are considered deferred maintenance. Construction of new facilities would be expected to comply with all codes and other requirements, as would major expansions of existing facilities.

b. Deferred Maintenance Backlog

The accumulated unfunded or otherwise delayed work required to bring facility or item of equipment to a condition that meets accepted codes, laws, and standards and preserves the facility or equipment so that it continues to provide acceptable services and achieves its expected life.

c. Facility or Equipment Deficiency

A defect that occurs when maintenance is not performed in a timely manner. Deficiencies may or may not have immediately observable physical consequences, but when allowed to accumulate, they inevitably lead to deterioration of performance or loss of asset value or both. An accumulation of such uncorrected deficiencies is a backlog that represents an impairment (in both physical and financial terms).

d. Health and Safety Deficiency

A facilities or equipment deficiency that poses a threat to human safety and health (e.g. violations of National Fire Protection Association 101 Life Safety Code or appropriate Health Code) that requires immediate interim abatement and/or long-term permanent abatement.

e. Condition Assessment

Periodic inspection by qualified personnel to fully determine and document the condition of a facility or item of equipment and identify maintenance needs.

Facilities and items of equipment are categorized according to condition using codes such as those shown below:

Good - Facility/equipment condition meets established maintenance standards, operates efficiently, and has a normal life



expectancy. Scheduled maintenance should be sufficient to maintain the current condition.

Fair - Facility/equipment condition meets minimum standards but requires additional maintenance or repair to prevent further deterioration, increase operating efficiency, and to achieve normal life expectancy.

Poor - Facility/equipment does not meet most maintenance standards and requires frequent repairs to prevent accelerated deterioration and provide a minimal level of operating function. In some cases this includes condemned or failed facilities. Based on periodic condition assessments, and indicator of condition is the percent of facilities and items of equipment in each of the good, fair, or poor categories.

5. Disclosures

- a. The SFFAS#6 require that deferred maintenance information be disclosed as required supplemental information (RSI). Thus, a line for “deferred maintenance” is no longer required on the Statement of Net Cost with a reference to a note disclosure to the financial statements.
- b. The SFFAS #8 require stewardship assets be reported as required supplemental stewardship information. Thus, deferred maintenance related to general PP&E and to stewardship assets must also be disclosed separately.
- c. Stratification between “critical deferred maintenance” and “non-critical deferred maintenance” is considered an optional disclosure. These terms used in the FY2001 Budget Guidance may not necessarily have the same meaning as SFFAS#6. Therefore, if Bureaus elect to differentiate between critical and noncritical deferred maintenance, the disclosure shall include the definition of these categories.
- d. Additional disclosure information.
 - (1) Disclosures should also include information to disclose the imprecise nature of the estimate. For example, the estimate may be imprecise due to:
 - Age of original estimate
 - Lack of condition assessments
 - Lack of documentation - reliance (by necessity) on professional judgement of numerous, varied individuals throughout the organization



- Lack of existing system to track deferred maintenance estimates, thus items of deferred maintenance may be excluded or double counted
 - Factors outside of management control - e.g. finding different situation once construction begins
 - The quality and availability of data may vary according to different types of property
 - Etc.
- (2) A detailed breakout by type of property can either imply precision or be used as a basis for describing varying levels of precision (imprecision) for different types of activity. Thus, use any breakdowns of the dollars to communicate varying levels of precision. Use a limited number of categories.
- (3) Include a summary of the bureau's plans to improve the process for collecting deferred maintenance data. For example, "a major initiative is underway to ..." or "we have begun a multi-year effort to...".
- (4) Sample Deferred Maintenance Disclosures
- Bureau owns/purchases/constructs assets such as ...
 - These assets are used to (examples of supporting the mission)...
 - There is, however, a significant maintenance backlog relative to these assets, arising from...
 - The estimated amount necessary to correct this backlog ranges from \$x to \$y. Since the actual cost of correcting deferred maintenance will not be known until the work is performed, this range is by necessity an estimate. The following factors were considered in arriving at this estimate:
 - This estimate includes property such as ...
 - This estimate excludes property such as...
 - This estimate includes items such as (overhead, internal employee costs, etc.)...
 - This estimate excludes items such as (routine maintenance, etc.)...
 - The Bureau's plans for periodic condition assessments are..., these have begun / will begin when. In the meantime, the Bureau used...to estimate condition and deferred maintenance.



- The scope and nature of certain property, such as..., is such that annual condition assessments will never be feasible (e.g. each BLM employee would have to review thousands of acres of land per year, etc.)
 - Other factors considered by the Bureau in determining the estimate include...
- (5) The Department has submitted budget requests for FY2000 that includes possible projects for FY2001 - FY 2004 [optional; totaling \$z]. The estimate above for total deferred maintenance compares to this funding request as follows...

6. Submission of Data

See Appendix C for Deferred Maintenance Data Request.



Chapter 7

Environmental Clean-Up Liabilities & Other Contingent Liabilities

Statement of Federal Financial Accounting Standard #5, “Accounting for Liabilities of the Federal Government” requires the recognition and/or disclosure of contingent liabilities, including liabilities for environmental clean-up. Guidance for determining when an environmental liability is probable and reasonably estimable is available on the AAPC page on FinanceNet.

Contingent Liability disclosures should state the facts in general terms. It is important to ensure that the government’s position with regard to any ongoing litigation or dispute is not compromised by the wording of the contingency disclosure. Bureaus should consider:

1. presenting summarized information on a number of similar contingent situations so that confidential information about any one situation is not disclosed; and
2. obtaining Solicitor’s Office review of disclosures prior to finalizing them.

The Solicitor’s Office was asked to use a dollar threshold of \$1 million for preparation of the legal response in order to limit its scope to significant items and avoid reporting numerous small amounts. This dollar level is somewhat arbitrary and should not be interpreted as a “materiality” level for individual bureau reporting. Rather, bureaus should consider the facts and circumstances of the individual cases and the body of outstanding issues as a whole in determining dollar amounts to be recognized on the financial statements and disclosures to be reported in the notes.

See draft memorandum from the Assistant Secretary, Policy, Management and Budget requesting information on legal claims and assessments for Annual Financial Statements and also draft memorandum from the Director, Office of Financial Management requesting the updated list of sites with potential environmental liability. (**Appendices D and E, respectively**).



Chapter 8

Stewardship Reporting

The intent of Stewardship Reporting is to present information regarding the entity's stewardship over assets and resources beyond that which can be communicated in financial statements. The presentation of applicable stewardship reports were required beginning in fiscal year 1998.

In general, the information presented in Stewardship Reports is expected to be subject to a lower level of audit than the data presented in the financial statements and notes to the financial statements. The focus of the OIG will normally be limited to gaining an understanding of the systems and processes that provide the data for the report, in order to assess the completeness and reliability of the data.

SFFAS #8 identifies several types of Stewardship Reports and describes the basic types of data to be presented. The Stewardship Reports that may be applicable to the Department are described below.

- A. Stewardship Assets are assets owned by the reporting entity but which do not have a relevant or identifiable financial value. Stewardship Assets of the Department include:
1. Stewardship land, i.e. public domain land, and land used as parks, wildlife refuges and wilderness areas. Nearly all land managed by the Department is stewardship land.
 2. Heritage assets, i.e. monuments, museum collections, the National Park System and other national treasures.

See Appendix F for Stewardship Assets Data Request.

- B. Stewardship Investments: The Federal government incurs many different types of expenses that do not result in the creation of a Federally owned asset, yet which are expected to benefit the nation over time. Stewardship reporting is the vehicle by which agencies may communicate the long-term benefits of these programs and expenses. Stewardship Investments applicable to the Department include:
1. Investments in Research and Development, i.e. those expenses incurred by an entity that fund basic, applied and/or developmental scientific research.
 2. Investments in Human Capital, i.e. those expenses that fund education and training programs that are expected to improve the nation's economic capacity. This would include many of the Bureau of Indian Affairs education programs, as well as job corps programs.



3. Investments in Non-Federal Physical Property, i.e. those expenses that fund the acquisition or construction of property that the Federal government does not retain title to. This would include the construction of schools, roads and other property that will be owned by Indian Tribes rather than BIA.

Stewardship reporting should be limited to activities which are significant in amount and which are fundamental to the agency's mission. Incidental activities, such as small amounts of research and development or a small job corps program, would not normally require stewardship reporting at the bureau level, although this information will be included in the Departmental stewardship reports.

The auditors will be looking at this area this year to ensure that stewardship reports are prepared where there is significant activity or dollars in a given area. Each bureau should identify the specific stewardship reports to be prepared and the general content of those reports by August 30 of each year. Also, bureaus should obtain an agreement with their OIG prior to year end. Contact PFM if you have any questions or wish to discuss further.



Chapter 9

Other Accounting Issues

A. Accounting for Revenue and Other Financing Sources (SFFAS #7)

The revenue accounting standard defines revenue according to the substance of the underlying transactions rather than according to the budgetary treatment of the inflow. The provisions of this standard are in effect.

Exchange revenues are those that result from arms-length transactions, including the sale of goods and services, entrance fees, and most interest revenue. Non-exchange revenue transactions are those that arise from situations where the federal government demands payment, including taxes and fines. Exchange revenue is reported on the Statement of Net Cost. Non-exchange revenue is reported on the Statement of Changes in Net Position. The current government-wide SGL causes miscellaneous exchange and non-exchange revenue to be commingled in account 5900. Thus, the Department has established accounts 590E and 590N for exchange and nonexchange, respectively. Account 590S is for Surface Mining related transactions. If assistance is needed splitting data between exchange and nonexchange, contact Deb Carey.

B. Equity Account Transactions

The only equity accounts in essence are Unexpended Appropriations and Cumulative Results of Operations. Under normal circumstances, the only entries that are posted to equity are:

1. Entries to establish and use Unexpended Appropriations.
2. Entries to close flow accounts (5000, 6000 and 7000 accounts) to Cumulative Results at the end of the year.
3. Entries to post “contributed capital” at the start up of a working capital type fund. This is a very rare entry.
4. Entries posted to aircraft reserve accounts by the Office of Aircraft Services.

Due to changes to the Government Standard General Ledger, the use of SGL Account 3100, Unexpended Appropriations is now limited to general-type Treasury Fund Symbols, i.e. Treasury Fund Symbols that receive warrants. This account is no longer valid in other Treasury Fund Symbols, therefore existing data in SGL Account 3100 must be reclassified during fiscal year 2000 from this account to SGL Account 3310, “Cumulative Results of Operations.” The method for accomplishing this is under review and will be included as an appendix when finalized.



Please ensure that no other entries have been posted to equity during the year as such entries impact the preparation of the Statement of Changes in Net Position. Contact PFM if you have any other entries you believe should be posted to equity.

C. Title 5, Title 6 and other Y2K Type Funds

Title 5, Title 6, Y2K and other similar type funds are appropriated to the Office of the Secretary, but will be used by the bureaus to accomplish the objectives of the funds at each bureau. The Office of the Secretary may provide increased management over the funds. From a budgetary standpoint, there is not a “transfer of appropriation” to the bureaus, rather these are considered to be offsetting collections pursuant to a reimbursable agreement. In general, OS will provide specific amounts by bureau.

For financial statement presentation purposes, accounting treatment guidance is provided below:

1. Accounting Treatment by Office of the Secretary (OS):

- a. Flow Activity: OS will not recognize either revenue or expense related to funds transferred to bureaus. Rather, OS will recognize this activity on the Statement of Changes in Net Position as:

<u>Account</u>	<u>Description</u>	<u>DR</u>	<u>CR</u>
5790	Other Financing Source (negative)	xxx	
570A	Appropriations Used		xxx

Depending on the magnitude of the negative Other Financing Source, OS will most likely want to present this activity on a separate line on the Statement of Changes in Net Position.

- b. Accruals: OS will continue to report a payable for Y2K funds due to be transferred to the bureaus. OS will not report any sort of receivable to offset the Title 5 deferred credit reported by the bureaus.
- c. Footnotes: OS will include appropriate footnote information explaining the expenditure transfer to the bureaus, including total dollars and objectives of the money.

2. Accounting Treatment by Bureaus:

- a. Flow Activity: As the money is spent/expended, Bureaus will recognize expense (and/or capitalized assets) in accordance with normal accounting principles - debit appropriate expense or asset, offset by Other Financing Sources (CR 5790) on the Statement of Changes in Net Position.



- b. Accruals: Bureaus will report a receivable for Y2K money due from OS - debit expense or asset, offset by Accounts Receivable off-budget billed (CR 131B) or other appropriate receivable. In addition, Bureaus will report a deferred credit for Title 5 money received but not spent - debit Fund Balance, offset by Deferred Credits (2320).
- c. Footnotes: If the Title 5 deferred credit is commingled with advances or similar on the face of the statements, the footnote should include a monetary breakdown of this line. In addition, the footnotes should address the source/purpose of the Other Financing Sources.

3. Accounting Treatment by the Department:

- a. Flow Activity: The Department will effectively report expense (or capitalized assets) and appropriations used for activity during the year. The positive and negative Other Financing Sources will net at the Department level.
- b. Accruals: The Department will not report any receivable or payable related to Y2K money. The appropriate presentation of the net Deferred Credit that will roll up to the Department will be determined.
- c. Footnotes: The footnotes may/will include high level discussion

This guidance addresses only financial statement presentation of these transactions, and the related entries/SGL Accounts to be used to present this information. The transactions will continue to be reported on the Statement of Budgetary Resources in a manner that reflects the budgetary treatment of the funds.

SFFAS #7, paragraph 344, addresses transfers of cash and other assets without reimbursement. This guidance is in accordance with this standard.

D. Undelivered Orders

The reported balances for both prior year and current Undelivered Orders should reflect valid obligations. Efforts should be made prior to the end of the fiscal year to identify and correct these balances.

E. Prior Period Adjustments

Prior Period Adjustments are used to correct errors in prior year published financial statements. In addition, prior period adjustments are used to reflect the impact of newly adopted accounting standards when the implementing guidance for those standards indicate that the standard should be adopted retroactively. Prior period adjustments are rare.



Several types of events are specifically excluded from being reported as prior period adjustments, including:

- A. Normal, recurring corrections & adjustments
- B. Changes in useful lives of PP&E
- C. Adjustments related to realizability of inventories
- D. Settlement of litigation

In general, if information was estimated or accrued during the previous financial period, based on the best information available at that time, the revision of that estimate is treated prospectively and is not a prior period adjustment. This includes explicit or implied accruals of receivables, payables revenues and expenses; valuation of assets; and percentage of completion of construction in progress.

Situations that may result in the recognition of a prior period adjustment should be written up in the form of an issue paper and forwarded to the Office of Financial Management for discussion and approval.

F. Posting of Post Close Adjustments to Core Financial Systems

Upon completion of the financial statement audits, adjustments made in the Hyperion Enterprise Application which were not entered into the core financial system prior to closing the financial records, should be appropriately recorded in the core financial system records.

For bureaus using FFS, A recommended approach, endorsed by the Financial Officers Partnership, to record these adjustments is to use Accounting Period 00. **See Appendix G for a description of this process.**



Chapter 10

Audit Process Guidance

A. Audit Process

The Office of Inspector General (OIG) is the auditor for the Department of the Interior and its bureaus or offices. In certain cases the OIG may contract with outside parties to perform all or a portion of the audit work.

The audit process requires close cooperation between the OIG, the Office of the Secretary, and individual bureaus, both from a finance office staff, program officials and other interested parties in the bureaus. Coordination between Departmental, bureau, field operations, and OIG personnel at the Department, regional office and field audit team levels is important for the timely resolution of issues and timely completion of the audits. The following steps will occur for each audit:

- The OIG will issue an audit notification letter.
- The OIG audit team will prepare an audit plan.
- The OIG will meet with bureau personnel in an entrance conference to outline the audit plan and initiate the audit activities.
- After appropriate review and discussion with the auditors, the bureau and the OIG audit team will agree on the audit plan including the dates for delivery of materials associated with the audit process and the expected timing for the audit activities.
- The Department and the bureaus are responsible for providing accurate information and support to the OIG in a timely fashion to complete the audit work.
- OIG staff will be given read-only rights to the Consolidated Financial Statements Application (Hyperion Enterprise) and to the “XA” Server to provide them with immediate access to updated financial data and information/instructions maintained for financial statement preparers in shared directories.
- Periodic meetings will be held at the bureau level and at the Department level to identify issues that need to be resolved, to coordinate activities and to address any other issues that relate to the audit.
- The OIG and Department personnel will maintain tracking system which will identify issues as they arise and will track the issues until resolution between the Department and the OIG.
- Issues that could potentially result in a qualification on the Opinion on the Principal Financial Statements (at the bureau or consolidated levels), will be included in the Report on Internal Controls, or reported in the Report on Compliance with Laws or Regulations will be reported to the OIG and the Assistant Secretary for Planning, Management and Budget and tracked by the OIG and the Office of Financial Management.



- Periodic meetings will be held between the Inspector General and the Assistant Secretary for Planning, Management, and Budget and their staffs will meet periodically to monitor progress on audit activities.
- The text of issues that will be included in the auditors report will be provided in writing to the Department or individual bureaus as early as possible in the audit process to allow time for adequate discussion and final agreement on the issues and final report text.
- Upon receipt of the draft report, bureaus or the Department will have no more than 10 working days to respond in writing to the report. With the agreement of both the OIG audit teams and Department/bureau management, responses to audit findings may be providing as text to be included in the final opinion, report on internal controls or report on compliance with laws and regulations, as long as the text is provided within 10 working days from receipt of the draft report.

Critical throughout this process is the timely completion of all tasks and the open communication between auditors and annual financial statement preparers. At the end of the audit process for the Department, Department personnel and OIG personnel will meet to determine what went well, what areas need to be improved and make recommendation for improvements to the process for the next year.

B. GAO Audit Oversight

The General Accounting Office (GAO) is responsible for the audit of the Government-wide financial statements. In this capacity, GAO personnel will be reviewing certain OIG work papers and audit procedures. However, the OIG remains the sole auditor of bureau financial data. Management of GAO, the OIG and PFM have agreed that any requests for information that GAO might have will be discussed with the OIG and, if necessary, passed on to the bureau by the OIG.

We will continue to work with OIG and GAO to ensure that GAO reviews are performed on a timely basis and do not interfere with timely completion of bureau and Department financial statements.

C. Materiality

Materiality is a term of “art” rather than “science” and has several different definitions in relation to financial statements, including:

- Testing materiality, which is used by the auditors in preparing statistical samples to select transactions for testing.
- Reporting materiality, which is used by the auditors when determining whether a misstatement or omission could result in a qualified opinion.

“Materiality” is also considered by preparers when deciding how much effort should be devoted to a given issue and how much disclosure is needed of a given item. However,



materiality is not a reason for not recognizing a known amount or adjustment in the financial records or on the financial statements. If it is known that an entry needs to be recognized, it should be recognized even if it is well below the materiality threshold. The only exception would be amounts that are not only immaterial but minute (e.g. below the level of rounding).

C. Representation Letters

As part of the audit of financial statements conducted in accordance with OMB requirements, the auditor obtains written representation from management. In their Management Representation Letter, which must be customized for the circumstances of the audited entity, the agency head and Chief Financial Officer confirm to the Inspector General various representations relating to:

- (1) the opinion on the financial statements and the required supplementary stewardship information,
- (2) the effectiveness of internal control,
- (3) the financial management system's substantial compliance with Federal financial management system requirements, and
- (4) compliance with laws and regulations.

After bureaus submit their Management Representation Letters, the Assistant Secretary–Policy, Management and Budget submits one applicable to the Department's consolidated financial statements.

Further guidance for preparation of the FY 2000 Management's Representation Letter, including suggested wording for specific representations, will be available at [XA:\BurTeams\FSC\CT/Guidance\MGTREP00.WPD](file:///X:/BurTeams/FSC/CT/Guidance/MGTREP00.WPD).



Chapter 11

Hyperion Enterprise

Processes & Responsibilities

A. System Configuration and Administration

1. System Configuration

The Hyperion Enterprise financial statement system configuration has evolved over time. In the past, we used a single server, the XA server, to do all processing for the project. Beginning in FY 2000, we have implemented a more sophisticated and robust environment to provide user access to the Hyperion Enterprise suite of programs, Hyperion Enterprise applications, and project files. This section of the document describes the environment, the purpose of each component, and how users connect to the new environment.

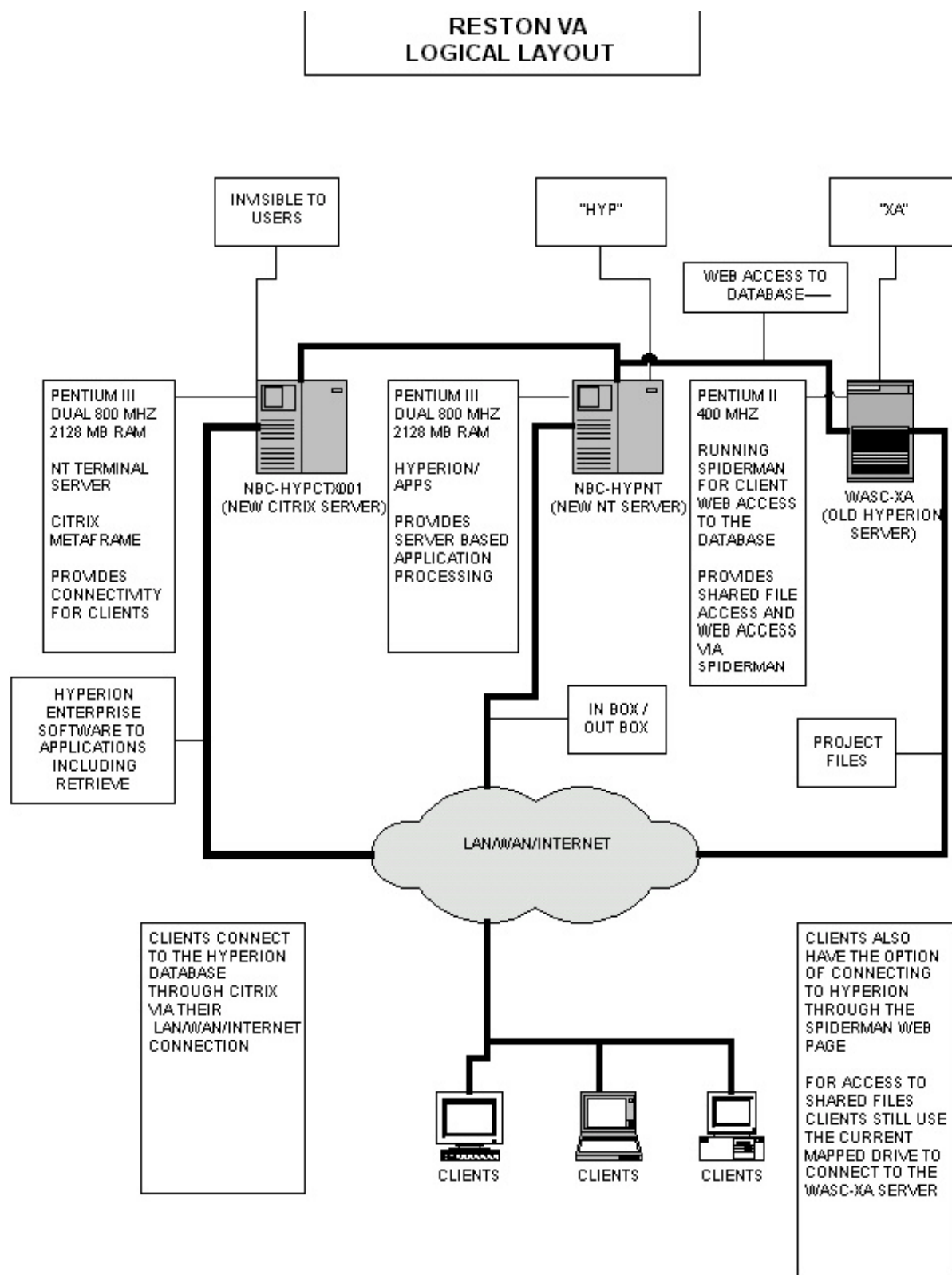
At the heart of the system configuration are three servers are:

- Citrix Server
- HYPNT Server
- XA Server

The diagram below depicts the current environment logical layout. Each of the servers listed above has a different role in the processing environment. The Citrix server's primary role is to allow users to connect to the Hyperion Enterprise programs (Enterprise, Reporting, Retrieve, etc.) centrally. This is a major difference in the way we operated in previous years. Each user's individual workstation will not have to be configured with the suite of Hyperion software. All users will run the Hyperion programs centrally by using the Citrix server. This has two advantages: one is that it will be easier to provide new users access to the programs, and the other advantage is that the Hyperion software response time will be improved.

The HYPNT server's primary role is to store the Hyperion Enterprise applications. These applications are the individual bureau application, the departmental consolidated applications, and any other application, as needed. All users will run the Hyperion programs on the Citrix server and the Citrix server will communicate with the HYPNT server to update and query the Enterprise applications.

The XA server's primary role is to act as a file server and store all project files. The XA servers role has not changed much from last year. The only difference is that the Hyperion applications have moved to the HYPNT server.





2. The Citrix Server

a. Logging into the Citrix Server

To access the Hyperion Enterprise applications, double click on the Citrix Program Neighborhood icon on your workstation desktop. The Citrix Program Neighborhood – Hyperion Farm window will appear. Three icons are available and it depends on what you are planning to do in Hyperion. If you want to access Hyperion Enterprise, double click on the Enterprise 5.0 icon. If you would like to access Hyperion Reporting, double click on the Hyperion Reporting icon. If you would like to launch Hyperion Retrieve for Excel, double click on the Hyperion Retrieve for Excel icon.

1. Opening Enterprise 5.0

After you open the Enterprise 5.0 folder, you will see the Enterprise 5.0 icon. Double click on this icon. The Hyperion Farm window will open and it will ask you for three items:

- (a) Your user ID (you only have to enter this once and the system will remember this setting)
- (b) Your password (you have to enter this password each time you log in)
- (c) The domain name (you only have to enter this once and the system will remember this setting)

Your user ID is the ID that you use to access your office's LAN and it is also the ID used to access XA server. Your password is the password you use to access the XA server. The NBC in Reston maintains the user ID/password combination to access the Citrix server. If you have problems access or if you cannot remember your information, please contact Jeff Mauck at (703) 648-7141 or Mike Sciortino at (703) 648-7251.

The domain name is IGSROWASC. This domain name needs to be entered the first time you log on to the Citrix server. Once you successfully connect your workstation will remember this setting.

Once you enter all of the correct information in the Hyperion Farm window Hyperion Enterprise will launch and prompt you for your Enterprise application name, user ID, password. From the drop down box select the application you would like to access. Enter your Enterprise user ID and password. The Enterprise user ID and



password are identical. Make sure your caps locked key on your keyboard is deselected. Click the Okay button. You will be brought to the Hyperion Enterprise desktop.

2. Opening Hyperion Reporting

After you open the Hyperion Reporting folder, you will see the Hyperion Reporting icon. Double click on this icon. Enter your Hyperion Enterprise user ID and password. Click the Connect the button and select the application that you wish to access. You will be brought into the Hyperion Reporting module.

3. Opening Hyperion Retrieve for Excel

To access Hyperion Retrieve for Excel, in the Hyperion Farm window, double click on the Hyperion Retrieve for Excel icon. Excel will launch and prompt you for your Enterprise user ID and password. Keep in mind that this version of Excel is running from the Citrix server and its purpose is to run Hyperion Retrieve only.

3. The HYPNT Server

The HYPNT server will be the primary storage location for all Hyperion Enterprise applications. Currently, there are two sub-directories available to project members: 1) Finstate, and 2) Finstate00.

The Finstate directory contains all FY1999 Enterprise archived applications as well as special purpose applications; the Finstate00 directory contains all of the FY2000 Enterprise applications for each bureau, the departmental consolidated application, and any other special purpose Enterprise applications, as needed. The file structure of the HYPNT server is as follows

<u>Sub-Directory</u>	<u>Purpose</u>
Finstate	Contains all FY1999 Hyperion Enterprise Applications
Finstate00	Contains all FY2000 Hyperion Enterprise Applications

As stated earlier, the Finstate00 sub-directory contains folders for the individual bureau financial statement applications, the consolidated financial statement application, and other applications as needed. The file structure is as follows:

BIA_00
BLM_00
BOR_00
FWS_00
MMS_00



NPS_00
OS_00
OSM_00
USBM_00
USGS_00

Within each of these folders there are individual files and folders. Bureau personnel have access only to their bureau sub-directory (for example, FWS cannot access BLM's directory, and so on). All auditors have read only access to all directories. Headquarters personnel have full access to all sub-directories. Each of the bureau directories have the same sub-directory structure which is:

<u>Sub-Directory</u>	<u>Purpose</u>
Data	Stores the actual Hyperion Enterprise data by category
Inbox	Used as a file folder for files to be loaded into Enterprise applications
Outbox	Used as a file folder for files extracted out of Enterprise applications
Reports	Used as a directory to store all reports run out of Enterprise applications

a. Mapping to the HYPNT Server

4. The XA Server

The XA server has been in use for several years to store project files and the Hyperion Enterprise applications. The XA server will continue to be the storage container for all project files, but the Hyperion Enterprise applications will be moved to the HYPNT server (see Paragraph 1.2 below). Project files are defined as those files other than Hyperion Enterprise applications available to all project members. These files consist of shared Word documents, various Excel spreadsheets, issues tracking lists, official guidance, and other relevant material. The current XA server subdirectories available to users are as follows:

<u>Sub-Directory</u>	<u>Purpose</u>
Bureau	General file storage area for bureaus
BurInfo	General information and guidance for project members
BurTeams	Main file area for department-wide project team

a. Mapping to the XA Server

To map to the XA server you need an LMHOST file configured with the XA server IP address and an account on the server. DOI's National Business Center (NBC) in Reston will maintain all accounts on the server and supply users with the properly configured LMHOST file. To set up an



account on the server each user has to supply their LAN login ID. This is the ID that each person uses to log into their local LAN. This is not your LAN password. The NBC will set up the account, notify the user, and guide users through the process of connecting. In general, the procedures for connecting are as follows:

1. Make sure that Client for Microsoft Networks is installed on the workstation.
2. Copy the LMHOST file to the Windows directory on your workstation (WINNT directory for Windows NT)
3. Reboot the machine.
4. After the machine reboots, at the Windows desktop right click on the My Computer icon.
5. Select Map Network Drive.
6. Select the next available drive letter or whichever drive letter you prefer.
7. In the Path box, type the following:
<\\wasc-xa\ntfs>
8. De-select the "Reconnect at Logon" box and click "Ok".
9. You should be prompted for a password at this point. Insert the appropriate password (supplied by the NBC) and select okay. You should now see the contents of the XA server directories.

5. Loading and Extracting Data

Follow these instructions to load data to or extract data from your Hyperion Enterprise application:

- a. To load data:
 - (1) Open your Enterprise application
 - (2) Open the Database Module
 - (3) Click on the task menu
 - (4) Select load data
 - (5) Click on the "Add" button and navigate to the location of your load file
 - (6) Select the "Report Calc Account" option
 - (7) Select "Replace"
 - (8) Ensure that in the "Default" setting, the appropriate delimiter is set to match your load file
 - (9) Click load and the file will load

Note: A successful load will result in no errors



b. To extract data:

- (1) Open your Enterprise application
- (2) Open the Database Module
- (3) Under the “View” menu select “Entity List” and select the base entity list associated with your bureau
- (4) Select the column for the data you are trying to extract
- (5) Under the “Task” menu, select “Extract data”
- (6) Assign a name to the extract file
- (7) Click “Okay”

6. Loading and Extracting Journals

Note: you can also use this procedure to extract journals to a local drive and view the journal extract using a text editor (K-Edit, Notepad, etc.).

- a. Open the journals module on the Enterprise desktop.
- b. Make sure your point of view is set to the proper category you wish to extract from (FY2000, BB2000, FY1999 , etc.)
- c. Make sure the proper period is selected in the point of view (Q4 99, etc.)
- d. Under the “Task” menu select “Extract Journals” for a single period.
- e. In the selection window, select all journal entries using the shift key and the down arrow (leave all the attribute boxes checked).
- f. Click okay.
- g. In the “Extract Journals – Single Period” window, check the “Extract Posted Journals as Unposted” box.
- h. Click the browse button and navigate to the XA server directory: \bureau\XXXX\journals (XXXX represents the name of your bureau).
- i. Give the extract file a name and click save.
- j. Back at the “Extract Journals – Single Period” window, click okay.
- k. Enterprise will extract journals to a text file located on the XA server in the directory listed above.

6. Entity and Account Conversion Tables

To be determined.

7. Hyperion Enterprise Security

To be determined.

B. Trial Balance Review

Several reports will be available to assist in reviewing and analyzing trial balance data. Bureaus are expected to review selected reports on a weekly basis to ensure data and system integrity. **See Appendix H for a List of Hyperion Enterprise Reports.**



- d. Use of these Journal Entry label formats is required.

2. Journal Entry Descriptions

The journal entry descriptions provide information regarding the purpose for the entry being posted and are a necessary part of the audit trail of a journal entry. The description should be detailed enough so that someone unfamiliar with the transaction will understand the reason for the adjustment and the source of the data.

3. Journal Codes

- a. **Reclassification:** An adjustment made for presentation purposes only and do not need to be reflected in the bureau's accounting system (e.g. reclassification of exchange and non-exchange revenue out of account 5900).
- c. **Adjustment:** A correction made to underlying data and must eventually be posted to the bureau's accounting system.

4. Balanced and Unbalanced Adjustments

Each journal entry created must be in balance prior to posting in Enterprise. A balanced journal entry is one in which the total debits are equal to the total credits for each entity (fund/subfund) and for proprietary and budgetary accounts within each entity. The default security in Hyperion Enterprise prohibits unbalanced journal entries.

There are two known occasions when unbalanced entries may need to be posted to Hyperion Enterprise:

- a. Due to a Microsoft Windows bug, when a journal entry contains a large number of lines with multi-million dollar amounts, a digit will be added several places after the decimal (e.g. millionths of a penny: \$100,000,000.000000003.). These added digits can cause the entry to be "out of balance" according to the computer.
- e. In certain cases, bureaus may inadvertently load out of balance data. The out-of-balance condition can only be corrected with an unbalanced journal entry.

If you experience either of these situations, contact PFM for procedures to override the "in balance" system edit check.



Chapter 12

FACTS Reporting

Processes & Responsibilities

A. Federal Agencies' Centralized Trial-Balance System (FACTS) I Reporting

The Treasury Financial Manual, produced by the Financial Management Service (FMS), describes requirements for the electronic transmission of the Department's preclosing adjusted trial-balance(s) (ATB), the NOTES reports and the FACTS data verification process for fiscal year end reporting.

1. Master Appropriation File (MAF) Reporting

The MAF is used by FMS to control the ATBs and the FACTS NOTES reports submitted by the Department. The Office of Financial Management will maintain the master MAF and ensure that it is reviewed and updated.

The MAF is derived from the FACTS_ORG structure of the Hyperion Enterprise Consolidated Financial Statement (CFS) Application. Bureaus should review their Hyperion Application to ensure all Treasury appropriation/fund group symbols are correct.

An integral part of the MAF Reporting are the Budget Functional Classification (BFC) Codes. The BFC codes classify budget resources by function. It groups budget authority and outlays of budget and off-budget Federal entities in terms of national needs being addressed. The BFCs are derived from the Master (Appropriations Only) Account Listing - a budget document. **See Appendix I for the MAF Data Verification Request.**

As discussed in Chapter 5, footnote disclosure of intra-governmental gross cost and earned revenue by BFC is required. Therefore, it is imperative that the BFC is correct for each Treasury Fund Symbol.

2. Adjusted Trial Balance (ATB) Submission

Agencies must transmit electronically preclosing ATBs at the Treasury appropriation/fund group level using SGL accounts with balances including all "adjusting entries" needed to produce financial statements. The reporting deadline for electronically transmitting ATBs is February 1.

The ATB submission is done at the Department level only.



3. FACTS NOTES

The FACTS NOTES report contain 25 individual FACTS NOTES. It is used to identify additional textual information and detailed SGL account balance information.

Agencies must transmit the FACTS NOTES reports by February 1, via the FMS Intranet using the FACTS NOTES Application.

The FACTS NOTES transmission is done at the Department level only.

4. CFO Verification of Summarized FACTS DATA

The CFO performs a verification of the summarized FACTS Data to the agency consolidated financial statements. The verification consists of preparing worksheets, referred to as the account groupings worksheets, documenting the agency's grouping of SGL account balances into line items presented in the agency consolidated financial statements.

The Department is responsible for preparing three account groupings worksheets:

- Balance Sheet
- Statement of Changes in Net Position
- Statement of Net Cost

B. FACTS II Reporting

FACTS II allows agencies to submit one set of accounting data (mostly budgetary, some proprietary) that fulfills the needs of the SF 133 Report on Budget Execution, the FMS 2108 Year End Closing Statement, and much of the initial set of data that will appear in the prior year column of the Program and Financing (P&F) Schedule of the President's Budget.

The Department will be submitting FACTS II data to Treasury for FY 2000 beginning with the 3rd Quarter. Bureaus should use the following procedures:

1. 3rd Quarter Data Submission
 - a. FACTS II preparers and certifiers need to test their ability to access FACTS II using their personal computers, modem, and SecurID cards before the reporting window opens August 2, 2000.
 - b. Verify with Treasury the Treasury Fund Symbols that need to be reported by each preparer and send a list of fund symbols to be reported by each preparer to PFM.



- c. Identify all of their allocation accounts and determine with the other agency involved who should report the data (parent or child). If a “child” organization is to enter the FACTS II data, the agency or bureau with the “parent” responsibility will be responsible for providing the agency or bureau with the “child” responsibility with the budget attribute information. The “child” organization will be responsible for providing the “parent” organization with a copy of the data entered into FACTS II and a copy of the SF-133.
- d. Submit test data to Treasury via FACTS II to practice and improve their on-line entry skills prior to the opening of the reporting window on August 2, 2000.
- e. Bureau budget staff need to work with the bureau finance staff in order to identify all of the budgetary attributes for each Treasury fund symbol not found in the bureaus’s general ledger accounts. This includes budgetary account information such as public law numbers, definite versus indefinite budget authority, apportionment categories, and more. **FACTS II Attributes Preparation Worksheets for Budget Office Data and Finance Office Data is included in Appendix J.**
- f. Bureau finance staff identify third quarter financial information to be submitted via FACTS II. A Hyperion data extract procedure has been prepared to summarize this information.
- g. After all of the third quarter FY 2000 fund data is successfully entered via FACTS II, the preparers will print out a copy of the SF 133 from FACTS II (click on reports, then SF 133) and provide the SF 133 printout to the budget offices for review before final submission of the data.
- h. The budget offices will then need to provide feedback and approval of the SF 133 to the preparers before the reporting window closes at Treasury on August 11th. If it can be arranged, budget and finance personnel should work side-by-side during the on-line entry of the data to ensure accurate reporting. Additionally, unlike GOALS, FACTS II revisions to prior quarter data is done during the next available quarter for data entry instead of during a separate window for revisions. In this case, the FY 2000 third quarter data would be revised during the fourth quarter data input window (October 25, 2000 to November 8, 2000). The value to the bureaus in validating and submitting good third quarter data will be that it will establish a template for the accounts in the fourth quarter. This will facilitate the entry of fourth quarter data by copying the data in the accounts into the fourth quarter region and eliminating the need for duplicate entry of data that has not changed.



- i. After the submission of data into FACTS II, it is imperative that the bureaus reconcile the FACTS II data submitted to Treasury with the data in their Hyperion data base to ensure that our financial statements reflect what we reported to Treasury. If adjusting journal entries are required, copies need to be sent to PFM.

Bureaus that are unable to report third quarter data to Treasury via FACTS II need to notify PFM of the reasons. Bureaus will then report third quarter via GOALS. Bureaus need to work with PFM and Treasury to ensure that they are prepared to enter fourth quarter data to Treasury via FACTS II. Practice entering FACTS II data into Treasury's test region by the bureau preparers will be essential to the successful input of fourth quarter data in November.

2. 4th Quarter Data Submission

The process of submitting 4th Quarter FACTS II Data to Treasury will be essentially the same as the process used in submitting 3rd Quarter Data. Based on the feed back and a review of the 3rd Quarter process adjustments may be made to streamline or resolve issues that may arise during the 4th Quarter data submission process.

The migration from reporting via GOALS to FACTS II will be a significant challenge. Bureau budget and finance staff need to work closely together to ensure the timely and accurate submission of data. Phil Daniels in PFM at 202 208 5225 and Judy Thomas in POB at 202 208 6690 are available to assist you. Additionally, PFM and POB are in the process of establishing a working group comprised of budget and finance staff that will help improve the reporting of budget execution data. **See Appendices K and L for a list of FACTS II Milestones and Points of Contact, respectively.**

Additional information and reporting requirements can also be found on the FMS website at: <http://www.fms.treas.gov/ussgl/factsii/index.html>.



Chapter 13

Other Required Disclosures

A. Intra-governmental Amounts

1. Required Supplementary Information

Intra-governmental amounts represent transactions between federal entities that include activity (consolidated/net of intra-entity transactions) with federal CFO Act and non-CFO Act entities as identified in the Treasury Financial Manual. The intra-governmental supplementary information may be limited to the consolidated agency-wide financial statements.

- Report, as required supplementary information, intra-governmental amounts for:
 - a. Assets;
 - b. Liabilities;
 - c. Non-exchange revenue;
 - d. Earned Revenue from trade(buy/sell) transactions along with the gross cost to generate such revenue (for certain reporting entities).
- Report (a), (b), and (d) above by trading partner (reciprocal federal entity).
- Report (c) above by budget functional classification.
- Intra-governmental asset and liability categories reported as required supplementary information should agree with the intra-governmental asset and liability line items reported on the balance sheet.
- Reporting entities shall reconcile (a) through (d) above with their trading partners at least annually as of the fiscal year end (September 30). Quarterly reconciliations are encouraged. Balances reported for “other” asset or liability categories and individual transactions that collectively comprise less than 20 percent of the total asset and liability categories may be excluded from reconciliation.

2. Intra-governmental Fiduciary Transactions Reconciliation

Beginning FY 1999 and after, reporting entities shall reconcile with their trading partners the four fiduciary transactions identified in Treasury’s Intra-governmental Fiduciary Transactions Accounting Guide. The fiduciary transactions include:

- a. Investments in Federal Securities Issued by the Treasury Department Bureau of Public Debt



- b. Borrowings from Treasury and Federal Financing Bank
- c. Transactions with the Department of Labor relating to the Federal Employees' Compensation Act
- d. Transactions with the Office of Personnel Management relating to Employee Benefit Programs

Agencies are required to investigate and explain any discrepancies between their intra-governmental account balances and the reciprocal account balances of their trading partner(s). Discrepancies due to errors should be adjusted in agency records and corrected prior to FACTS I transmission.

The following are listings of the most common types of errors and reconciling items.

Examples of errors.

- 1. Intra-governmental (G) attribute incorrect.
- 2. Intra-governmental (N) attribute incorrect.
- 3. Fund symbol incorrect
- 4. Transaction not recorded in general ledger.
- 5. Transaction recorded to wrong SGL account
- 6. Wrong amount recorded in the general ledger
- 7. Transaction recorded in the general ledger in the wrong accounting period
- 8. Incorrect data submitted in FACTS I
- 9. Non-submission of data in FACTS I

Examples of reconciling items.

- 1. Differences that result from using an accounting method different from the trading partner.

E.g., agencies amortizing Treasury security premiums and discounts using the effective interest method while the bureau of the Public Debt uses the straight-line method.

- 2. Differences that result from using an SGL account for more than one type of transaction.

E.g., SGL account 7110G, Gain on Disposition of Assets may include gains from activities unrelated to the investment transactions being reconciled, such as gains from disposal of assets.



Chapter 14

Role of Financial Statement Guidance Team

The Financial Statement Guidance Team (FSGT) has been formed under the authority of the Department's Finance Officers Partnership. The FSGT has one subteam, the Technical Hyperion Users Group (THUG). Both teams meet by teleconference on a periodic schedule agreed to by the membership, generally weekly or bi-weekly.

Membership of both teams is comprised of representatives from the Office of Financial Management and each bureau finance office as well as headquarters and on-site audit personnel. **A listing of FSGT and THUG contacts can be found at Appendix M.**

The purpose of the FSGT is to serve as a forum for the identification and resolution of issues related to the preparation and audit of the Department and Bureau financial reports, and the dissemination of related guidance. Whenever possible, proposed policies and guidance are discussed in this forum and consensus reached prior to finalization.



Chapter 15

Appendices

Appendix A: Key Milestones

Key Milestones	Completion *
Establish FY 2000 Data Structure	5/24/00
Load 2 nd Quarter Trial Balance Data	6/15/00
Prepare 2 nd Quarter Financial Statements	6/30/00
Identify Performance Measures & Provide to OIG	7/31/00
Load 3 rd Quarter Trial Balance Data	7/20/00
Prepare 3 rd Quarter Financial Statements	8/10/00
Provide OIG with 3 rd Quarter Financial Statements	8/15/00
Provide OIG with 3 rd Quarter Performance Data	8/15/00
Working Draft of Text for MD&A including: Performance Measures, Footnotes and Supplemental Data	8/30/00
Close Financial Records	10/15/00
Load 13 Month Trial Balance	10/23/00
Bureau Initiated Adjustments/Reclasses for Financial Statements	11/3/00
Draft of Basic Financial Statements to CFOs and PFM	11/15/00
Draft Complete Annual Reports to OIG with Preliminary Final Performance Data and Financial Statements	11/22/00
Final Performance Measures to OIG	11/30/00
OIG Completes Substantive Testing	12/2/00
Final Audit Adjustments	12/13/00
Final Complete Annual Reports to OIG	12/13/00
Preliminary Draft of Internal Control/Compliance Findings	12/15/00
Completion of Audit Fieldwork	12/15/00
Draft Audit Opinions From OIG	12/22/00
Issuance of Final Audit Opinions	1/8/01
Publish Annual Reports	2/1/01

Completion * - Performance to be measured on this date.



Contingency Plan: Not meeting this date may jeopardize meeting the statutory due date of March 1. Establish FY 2000 Data Structure (5/24/00); Load 2nd Quarter Trial Balance Data (6/30/00); Prepare 2nd Quarter Financial Statements (7/10/00); Identify Performance Measures & Provide to OIG (8/30/00); Load 3rd Quarter Trial Balance Data (7/30/00); Prepare 3rd Quarter Financial Statements (8/30/00); Provide OIG with 3rd Quarter Financial Statements (8/30/00); Provide OIG with 3rd Quarter Performance Data (9/15/00); Working Draft of Text for MD&A including: Performance Measures, Footnotes and Supplemental Data (9/15/00); Close Financial Records (10/15/00); Load 13 Month Trial Balance (10/23/00); Bureau Initiated Adjustments/Reclasses for Financial Statements (11/15/00); Draft of Basic Financial Statements to CFOs and PFM (11/22/00); Draft Complete Annual Reports to OIG with Preliminary Final Performance Data and Financial Statements (11/30/00); OIG Completes Substantive Testing (12/10/00); Final Performance Measures to OIG (12/15/00); Final Audit Adjustments (12/20/00); Final Complete Annual Reports to OIG (12/22/00); Preliminary Draft of Internal Control/Compliance Findings (12/22/00); Completion of Audit Fieldwork (1/15/01); Draft Audit Opinions From OIG (1/31/01); Issuance of Final Audit Opinions (3/1/01); Publish Annual Reports (3/31/01).

Appendix B: Managerial Cost Accounting Data Request

The following information is needed by the IG for CFO FY99 audit purposes. As noted below, portions of this information are related to financial numbers to be included on the financial statements or related footnotes. Other portions of the data request do not represent audited financial information, but rather are needed by the auditors to obtain assurance as to the bureaus compliance with the “managerial” aspects of SFFAS #4. As with all audit requests, the on-site auditors may request additional information after review of the data provided.

The Department has chosen to report by responsibility segments for financial statement purposes consistent with GPRA Program Activities. Each GPRA Program Activity has an identified desired result (outcome²) that can be measured by one or more performance measure(s). Costs are reported by these responsibility segments in bureau annual financial reports and in the Department’s accountability report. In addition, the Department and individual bureaus use additional cost measures for budget and other management purposes as part of its overall performance management process.

As part of the audit process the Department will provide the OIG the following information. The due date for this information is September 15, 2000 unless otherwise indicated or related to Fiscal Year end data.

A. Segment Reporting in Financial Statements (and/or related footnotes)

Information provided by Office of Financial Management to Headquarters OIG for distribution to audit teams:

1. Departmental Policies, including (August 15, 2000):

² SFFAS No. 4 defines outcome as “[t]he result of a program activity compared to its intended purposes. Program results may be evaluated in terms of service or product quantity and quality, customer satisfaction, and effectiveness.”



- b. General financial statement preparation guidance
 - c. Managerial Cost Accounting standards implementation guidance (Office of Financial Management Memoranda)
- 2. Summary Listing of Responsibility Segments for each bureau of the Department with the desired results (e.g. output or outcome) for each responsibility segment and selected performance measures to measure whether the results are being achieved (July 31, 2000).
 - 3. Access to bureau and Department Hyperion Enterprise Applications, including assistance in accessing segment reporting structure, chart of account logic and report crosswalks, and similar base information (August 15, 2000).
 - 4. A list of approved budget object class (BOC) codes and any restrictions on their use, based on the most recent SACAT material. A listing of Budget Object Classes to be used to report cost data (at the Department and Bureau level, not the segment level) will be added to the Hyperion Application as memo accounts in the Chart of Accounts. (August 15, 2000)

Information provided by Bureaus:

- 5. A listing of the Bureau's responsibility segments for FY2000 reporting. These should agree with the Responsibility Segments in the bureau's Hyperion Application and the GPRA listing of Performance Measures to be reported in bureau financial statements. (August 15, 2000)
- 6. Written confirmation/sign-off by the bureau regarding the treasury fund symbols, subfunds and/or program codes included in the Hyperion Application to capture costs for FY 2000 Segment Reporting and the roll-up of those elements into the appropriate segments. (August 15, 2000)
- 7. A copy of the pro forma FY 2000 Statement of Net Costs of Operations and Statement of Changes in Net Position to be included with the annual financial statements, including the crosswalk from the CFS Trial Balance accounts. (Normally, these reports will be generated from the Hyperion Application, in which case the crosswalk will be provided by providing OIG access to the chart of account logic and the report structure. If needed, contact PFM for explanation / interpretation of this information. Third quarter data may be used to illustrate report crosswalks.) (August 15, 2000)
- 8. Preliminary 4th Quarter data will be available in the Hyperion Application



no later than October 23, 2000. Financial Statement reports can be printed at any time to view the impact of adjustments posted to date.

9. An explanation of the method or methods used to charge or assign supporting services and other high level costs to a responsibility segment. Accounts that are allocated between responsibility segments should be identified in the Hyperion Application (or elsewhere if appropriate).
10. A copy of the bureau GPRA Performance Measures for each Responsibility Segment included in item 2 under above with the following additional information:
 - a. Contact person for data sources or system used to gather the information associated with the performance measures
 - b. Identification of when the performance measurement data is expected to be available for audit.
11. For those cases when a performance measure identified in the GPRA Performance Table involves costs, identify the source of the cost information. In addition, if the source of the data is other than the accounting system, identify the cost finding techniques or methodology that was used to gather cost information.
12. If the bureau has significant transfer payments to individuals, state and local governments, and Indian Tribes, and these payments are separately identified in the annual report, the amount of these transfer payments should be reported separately from related operating costs. If applicable, explain the bureau's procedures for separately identifying these costs.
13. Expense data by Budget Object Class (to be provided after all or nearly all adjustments have been identified and posted, but no later than 11/15/00). Memo accounts will be created in the Hyperion Application for this data.

B. Internal Controls over the Accumulation of Costs in the Accounting System

Information provided by Bureaus:

1. A brief description of how the Bureau accumulates the costs in the accounting system.
2. A brief description of how the Bureau ensures that costs are charged to the appropriate responsibility segment.
3. Normally, costs are assigned to Budget Object Classes (or other resource type) by direct tracing. Confirm that this method is used by the bureau and/or identify the other method(s) used to assign costs; e.g. by assigning



costs on a cause-and-effect basis, and/or allocating costs on a reasonable and consistent basis.

4. If applicable, explain how significant costs in adjusting journal entries are assigned or allocated to Budget Object Classes reported in the notes to the financial statements.

C. Imputed Costs

Background: As a rule, costs are required to be imputed only for those select situations identified by OMB. At this time, the only costs required to be imputed by the Department are retirement costs paid by OPM. In addition, liabilities are recorded for certain employment costs paid by the Department of Labor, which the Department will pay at a later date. Although similar in nature, the Department of Labor costs result in the creation of a liability rather than imputed financing and so are not considered to be “imputed costs”.

Information provided by Office of Financial Management to Headquarters OIG for distribution to audit teams:

1. Department-wide guidance for recognizing retirement costs and imputed financing for paid by OPM. (This memo will not be available until the data is provided by OPM. The format and content of the guidance is not expected to change significantly from FY 1999 guidance.) Department-wide guidance for the accrual of Department of Labor liabilities will be provided when available.

Information provided by Bureaus:

2. A list of federal entities that provide significant amounts of goods or services to the Bureau is available by reviewing trading partner expense data in the Hyperion Application.
 - a. If trading partner data in the Hyperion Application will be delayed past November 4, 1999, provide the OIG with a listing of major trading partners by that date.
 - b. Have any entities advised the Bureau that they are billing less than the full cost of goods and services provided to the Bureau? (Copy to PFM)
3. If applicable, identify goods or services provided by other federal entities to the bureau:
 - a. That are not fully paid for by the Bureau (excluding OPM and general government services provided to all agencies, e.g. Treasury services),
 - b. That are significant to the Bureau, and



- c. That can be matched to the receiving entity (Bureau) with reasonable precision. (Copy to PFM)
4. Considering the above, identify any imputed costs to be reported in bureau financial statements other than OPM related costs. If applicable, indicate when associated dollar amount will be available. (Copy to PFM)

D. Cost Information Used for Management Purposes

Background: Managerial costing should use a basis of accounting, recognition, and measurement appropriate for the intended purpose. Cost information developed for different purposes should be drawn from a common data source, and output reports should be reconcilable to each other. *[Cost information used for management purposes is not part of the audited financial statements and is not required for the opinion on whether the financial statements are fairly stated. However, for the Compliance with Laws and Regulations opinion, the OIG will determine whether managerial cost information is produced by the bureau as compared to the guidance in SFFAS #4, Managerial Cost Accounting.]*

Cost accounting is not an end in itself but is intended to provide information that is useful for making decisions and assessments regarding economic resources, organizational efficiency and effectiveness, and management stewardship responsibilities. The Department views managerial cost accounting within the broader context of performance management for the Department. One element of performance management is meeting the requirements of GPRA. The Department has elected to report its responsibility segments following the Department's GPRA Program Activities (see description on Segment Reporting above). However, there may be a number of outputs that may be used for management purposes³ and these outputs may not necessarily relate to specific responsibility segments. Therefore, reporting of cost of outputs is not required by segments.

For purposes of reporting on the cost of outputs, also referred to as unit cost, the Department proposes to identify and capture unit cost information where management believes it is important to measure unit costs to improve operations. Unit cost performance measures are defined as those measures where the performance, as measured in terms of units, can be divided into the full cost to provide a meaningful unit cost measure that focuses management on an efficiency

³ Since responsibility segments are major parts of an entity, some segments may carry more than one program. Some programs may be jointly managed by two or more segments. Thus, each segment must accumulate costs for each type of output produced by various programs. To accomplish this, a network of costs centers can be established within a segment to accumulate costs. Managers of each costs center will be provided with information to control and manage costs within their area of responsibility, SFFAS No. 4, paragraph 88.



or effectiveness goal to improve performance.

Unit costs measures will follow full costing concepts defined in SFFAS # 4, except where a common commercial practices or regulatory authority exists or other organizations use a standard method for comparisons that is not the same as the SFFAS standard. In those cases cost will be accumulated following the appropriate standards established for the community being used for comparative purposes. Assumptions and/or standards used to accumulate unit costs will be disclosed along with the unit cost performance measures. In determining whether full costs of an output should be computed the Department will use the following criteria:

1. Usefulness - Will full cost information be useful for management decision-making, e.g., for resource allocation, or for assessing operational efficiency? Will this information be useful to other constituents and stakeholders such as the Congress, the general public (taxpayers), and customers? In some cases, public accountability will be an important factor in determining whether full cost information should be compiled.
2. Feasibility and cost-benefit - Full cost information is likely to have different value to different users of this information. An assessment needs to be made to determine whether the aggregate perceived benefits exceeds the costs of compiling full cost information. If full cost information would not provide minimal decision-usefulness or would not facilitate the assessment of operational efficiency, the compilation and presentation of such information for general interest only might not be justified.
3. Availability and timeliness of reliable cost information - This factor is related to the usefulness of full cost information. If full cost information is useful in management decision-making and the assessment of performance, it is important that such information be available before its usefulness diminishes. If full cost information cannot be compiled and provided timely, its value decreases, which would impact the cost-benefit of providing such information.
4. Legislative exclusions - In some cases, there may be legal provisions for not computing full costs. For example, for Reclamation, capital investment allocated to irrigation is non-interest bearing because Congress did not explicitly provide for assessing interest on these costs. In this instance, it would not be feasible or cost-effective to apply an imputed interest rate to capital investment costs that may have been incurred over an extended period of time.
5. Industry accounting standards - To facilitate comparability and consistency, where industry accounting standards exist, it may be



beneficial to compile costs of outputs in accordance with applicable standards. For example, Reclamation compiles hydropower costs in accordance with Federal Energy Regulatory Commission accounting requirements. This facilitates comparisons with other power generating entities. The presentation of conflicting cost information in different reports may lead to confusion in interpreting and analyzing cost information.

Further, in some instances, it may not be feasible or cost-effective to determine the full cost of an output.

Information to be provided by Office of Financial Management to Headquarters OIG for distribution to audit teams related to cost information used for management purposes:

1. A copy of the Department's Fund Control Regulations approved by OMB as required under OMB Circular A-34, Instructions on Budget Execution.
2. Reference Source for the Interrelationship of Cost Accounting Information in the Federal Government from the Managerial Cost Accounting Implementation Guide published by JFMIP
[XA:\Bureau\Refernc\CostActg\Guidedoc\Figure2.doc]
3. A copy of the Summary Report on Department of Interior FY 1999 Cost Recovery Activities

Information provided by Bureaus:

4. A listing of unit cost measures used to meet management purposes. The unit cost measures will be identified based on any of the following criteria:
 - a. Used for Internal Management Purposes Significant to Managers
 - (1) where historical trends are important to track to improve program delivery
 - (2) where cost benefit comparison are needed for internal investment decisions
 - b. Used by Management for External Comparisons of Services or Products
 - (1) where cost comparisons of a unit cost of a service or product are important to management to compare with a similar service or product produced by other entities in the private sector following set standards
 - (2) where cost comparisons of a unit cost of a service or



- product are important to management to compare with similar services or product produced by other entities in the Federal Government where reporting standards have been established by authoritative governmental bodies or a group of reporting organizations have agreed to report unit cost information in a standard manner.
- c. Used for Congressional Program Decisions
 - (1) where information on program costs is being used for cost-benefit considerations such as program authorization, modification, or discontinuation.
5. For each measure the bureau will provide the following:
- a. Office responsible for collecting and reporting the information with a contact name
 - b. Management purpose for collecting the information
 - c. Basis used for accumulating the cost information
 - d. Source of the output measure
 - e. Current and historical unit cost information up to 5 years if available
6. The bureau will also identify any of the unit costs measures that may have been included in the FY 2000 GPRA plan and any unit cost measures that are included in the FY 2001 GPRA.

This information will be provided to the bureau financial statement audit teams by individual bureaus by September 15, 2000 with copies of the information to the Office of Planning and Performance and the Office of Financial Management.

Appendix C: Deferred Maintenance Data Request

Bureaus should submit their FASAB #6 disclosure to the Office of Financial Management according to the dates shown below:

September 5, 2000: Bureaus submit FY 2000 deferred maintenance needs list to bureau auditors in support of the bureau FASAB financial statement reporting requirement.

November 15, 2000: Bureaus submit their final FY 2000 deferred maintenance needs list to bureau auditors in support of the bureau FASAB financial statement reporting requirement.

The format for the submission should be as follows:

- A description of the deferred maintenance program, identification of the types of assets involved and any other related information the bureau feels appropriate.
- An excel spreadsheet that contains, at a minimum, the following information:



1. Organizational Unit
2. Class of Asset
3. Condition Category
4. Estimated Range of Deferred Maintenance
 - a. General PP & E
 - b. Stewardship PP & E
 - c. Total

Appendix D: Information on Legal Claims and Assessments for Annual Financial Statements Data Request (Draft)

Memorandum

To: John Leshy, Solicitor

From: John Berry
Assistant Secretary - Policy, Management and Budget

Subject: Request for Information on Legal Claims and Assessments for Annual Financial Statements

At the end of each fiscal year, the Department (including each of the bureaus) prepares financial statements for the fiscal year (collectively, the consolidated financial statements) which are audited by the Office of Inspector General (OIG). The consolidated financial statements (with footnote disclosures) must include certain information about contingent liabilities arising out of litigation, claims, or assessments. Moreover, consistent with procedures contained in AU 337, Codification of Statements on Auditing Standards, "Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments," the OIG requires us to have the Office of the Solicitor prepare a legal representation letter for the OIG regarding contingent liabilities for litigation, claims, and assessments to satisfy the auditors as to the financial accounting and reporting of such matters in the consolidated financial statements. This year, the process will begin earlier than in recent years.

The American Bar Association Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (December 1975) provides relevant guidance for the legal office's response to the OIG's request. Regarding cases where Justice Department attorneys are handling legal matters on behalf of the Department, see Federal Financial Accounting and Auditing Standards Technical Release No. 1, "Audit Legal Letter Guidance" dated March 1, 1998.

The following information will be required for use in preparation of financial statements and footnote disclosure as well as for responding to the OIG request:

A. Pending or Threatened Litigation, Claims, or Assessments

Please identify any pending or threatened litigation, claims, or assessments, material to



the financial statements, involving matters to which attorneys in the Office of the Solicitor have devoted substantial attention. For each matter so identified, please include the following information:

1. the nature of the litigation, claim, or assessment;
2. the progress to date;
3. the Department's response or planned response (e.g., to contest the case vigorously, to seek an out-of-court settlement);
4. an evaluation of the probability of unfavorable outcome;
5. an estimate of the amount or range of potential loss, if one can be made, and expected source of funds—the bureau's appropriations or the Judgment Fund; and
6. the name of a point of contact in the Office of the Solicitor or the Department of Justice.

B. Unasserted Claims and Assessments

Also, please identify any unasserted claims and assessments involving matters to which attorneys in the Office of the Solicitor have devoted substantial attention that you consider probable of assertion, and which, if asserted, have a reasonable possibility of an unfavorable outcome material to the financial statements. For each matter so identified, please include the following information:

1. a description of the nature of the matter;
2. the Department's planned response if the claim is asserted;
3. an evaluation of the probability of unfavorable outcome;
4. an estimate of the amount or range of potential loss, if one can be made, and expected source of funds—the bureau's appropriation or the Judgment Fund; and
5. the name of a point of contact in the Office of the Solicitor or the Department of Justice.

For purposes of this request, please include any matter individually involving amounts of \$1 million or more. This request is limited to matters with respect to which the Office of the Solicitor has been engaged and to which it has devoted substantial attention on behalf of the Department, its bureaus, offices, officers, and employees in the form of legal consultation or representation. Please include a statement confirming for audit purposes that the information is current, accurate, and complete.

In addition to the requirement for this information for bureau and Departmental financial statements, the Department of Justice, the Department of the Treasury, and the United States General Accounting Office (GAO) will require a Departmental legal representation letter based on the same information for use in conjunction with the preparation and audit of the FY 2000 Government-wide consolidated financial statements.

Timing of Representation Letter for Bureau and Department Financial Statement Requirements



No later than October 15, 2000, please submit through the Office of Financial Management (PFM) your legal representation letter with fiscal year-end information by bureau on pending, threatened, and unasserted claims and assessments regarding matters known by the Office of the Solicitor and those being handled by the Department of Justice on behalf of the Department. PFM will provide this information to the bureaus for their use in preparing bureau annual financial reports.

In addition, by December 15, 2000, the date audit field work is expected to be concluded, please update your representation letter to include any additional matters, changes, and deletions that have arisen since the date of the prior letter about contingent liabilities for litigation, claims and assessments. This update should not include information that was already provided and has not changed. This information should be current as of December 1, 2000. Together, both of these documents comprise the interim response.

Government-wide Financial Statement Requirement

By March 1, 2001, for purposes of the Government-wide Financial Statements, the representation letter should be updated through February 15, 2001, for additions, changes and deletions which have arisen since the previous update letter about contingent liabilities for litigations, claims and assessments.

Submission of the Information

The information about contingent liabilities for litigation, claims, and assessments and any subsequent updates should be submitted to Mr. Earl E. Devaney, Inspector General, through the Office of Financial Management. The Inspector General is required to submit copies of the original letter and updates to the Office of Management and Budget (OMB--Deputy Controller, Office of Federal Financial Management), the Department of the Treasury (Commissioner, Financial Management Service), and the GAO (Assistant Comptroller General, Accounting and Information Management Division).

If you have any questions, please contact R. Schuyler Leshner, Director of Financial Management, on (202) 208-4701.

**Appendix E: Updated List of Sites With Potential Environmental Liability Data Request (Draft)**

Memorandum

To: Bureau Chief Financial Officers

From: R. Schuyler Leshner
Director, Office of Financial Management

Subject: Updating List of Sites With Potential Environmental Liability

Statement of Federal Financial Accounting Standard Number 5, "Accounting for Liabilities of the Federal Government," requires that agencies disclose information on estimated environmental liabilities in their annual financial reports. In order to again comply with these requirements, each bureau will need to provide the Office of Financial Management (PFM) with preliminary information on their estimated environmental liabilities by September 1, 2000, to be used in preparing the Department's financial statements. By October 16, 2000, bureaus are to submit their final FY 2000 environmental liability information as of September 30, 2000.

In the case of several bureaus, the applicable portion of the FY 1999 "Draft List of Sites With Potential Environmental Liability" is available electronically for reference purposes. *This data is not current and not complete, and it should be revised as necessary to support financial statement disclosure.* Also, the FY 1999 file structure is slightly different than the FY 2000 structure (described below). Any bureaus which have environmental contamination sites but have not submitted a list previously are requested to provide complete and current data (in the FY 2000 format).

For each site, the FY 2000 list will identify the bureau (column a), facility name (column b), city (column c), state (column d), and total future liability if known, or probable and reasonably estimable (column e). For FY 2000, a range of potential estimated liability may be stated by entering the lower limit of the range (in column e-1) and the upper limit (in column e-2). Please do not enter data in column e-2 for sites where liability has been determined or the estimated liability to be disclosed is a discrete amount rather than a range.

We request that bureaus, in coordination with the Solicitor's Office, update and correct information related to their environmental contamination sites, including sites with hazardous materials or abandoned mines, and provide estimates of remediation costs from (a) remedial investigations / feasibility studies or other studies and evaluations, (b) records of decision or other agreements, (c) legal judgments, assessments, or consent decrees, or (d) any other actions taken that provide estimates.

If total future liability is not known or reasonably estimable, the estimated cost of study (column f) should be provided. For sites where the fact of liability has been determined, the dollar amount or cost of study is reported (column g), and this total is the recognized liability. There is



also a column for legal status (column h). Please use this column to indicate “I” for In Litigation,

“L” for Department Liable for Cleanup Costs, “N” for Department Not Liable, “S” for Shared Liability, and “T” for To Be Determined. The last column (column I) may be used, where necessary, to reference explanatory notes which can be presented on a separate page. Please coordinate with bureau Hazmat Contacts, and add missing sites and make other necessary corrections. If no list was previously provided, please develop a complete list.

Individual bureau files containing FY 1999 draft data have been placed on the Reston “XA” server, which is used by bureau financial statement preparers to share files with each other and the Department. This location was chosen since its limited access provides additional security. The files named “xxxECL99.XLS” (where “xxx” identifies the bureau) are located at “XA”:\BurInfo\OfcUse and include a blank template, named XxxECL.00 with the revised FY 2000 format. Financial Statement Guidance Team members are asked to remove their bureau’s FY 1999 file and the FY 2000 template from this location and provide them to the personnel responsible for completing the response. This information is sensitive and for internal Departmental use only, and the list is considered a deliberative document. It should not be released outside the bureau without coordination with PFM and the Office of the Solicitor (OS). Please DO NOT photocopy the list more than necessary.

Please place the new or revised file (i.e., FY 2000 format and data), renamed “xxxECL00.XLS” (where “xxx” identifies the bureau), onto the “XA” drive by September 1, 2000. The file should be updated by October 16, 2000, to reflect the final environmental liability information as of September 30, 2000. Again those files are considered to be deliberative documents and should not be distributed more widely than necessary. If you have any questions, please call Eric Eisenstein on (202) 208-4701. Thank you for your assistance in this important effort.

cc: Director, Office of Environmental Policy and Compliance
Deputy Chief Financial Officers
Bureau Finance Officers
Financial Statement Guidance Team

**Appendix F: Stewardship Assets Data Request**

Memorandum

To: Bureau Chief Financial Officers
Museum Program Executive Committee

From: R. Schuyler Leshner
Deputy Chief Financial Officer

Debra E. Sonderman, Director
Office of Acquisition and Property Management

Subject: COMBINED DATA CALL FOR:

- 1) Bureau Museum Property Management Summary Report for FY2000
- 2) Museum Program Performance Data for Interior Management Council Priorities
- 3) Museum Program Performance Data for GPRA Performance Goals
- 4) Stewardship Assets Data for Interior's Accountability Report for FY2000

Reply due: September 8, 2000 (October 20, 2000 for limited data unavailable prior to year end)

Our target for completing the Department's Accountability Report for FY2000 requires that we collect certain property information from bureaus at the end of the fiscal year. We request that you submit available numbers and interpretive text that can be written early by September 8, 2000, and that you submit any remaining data, such as numbers that will not be available until after the end of the fiscal year, by October 20, 2000. We recognize the tight time frame to meet this requirement, and appreciate your cooperation in compiling the required information. Because of the inter-related nature of stewardship assets (stewardship land and heritage assets) data, museum property and NAGPRA data, and GPRA baselines, we are combining the calls for all four sets of inter-related data into one. These data will support preparation of reports to Congress, including the Departmental Report on Accountability for FY2000, Supplemental Stewardship Reporting, reports on performance measures in the Department's strategic plan, and reports to the Interior Management Council (IMC). They will also support the management control processes regarding material weaknesses, and will fulfill bureau annual reporting requirements on museum property management.

Bureau Museum Property Management Summary Report for FY2000

Department-wide data on Interior's museum collections are collected in the "Bureau Museum Property Management Summary Report" submitted to the Office of Acquisition and Property Management (PAM). Required content for this report is outlined in Part 411 of the Departmental Manual (411DM2.3B; attachment 1). Please ensure that the prescribed format is used for reporting the number, disciplines and locations of bureau museum property. Unfortunately, the



January 30 submission date of this report listed in 411 DM does not meet current requirements for the department-wide Accountability Report. The due date for the bulk of the FY2000 report is September 8, 2000. Any final data not available by September 8 must be provided as soon as possible but no later than October 20, 2000.

Interior manages cultural items defined by the Native American Graves Protection and Repatriation Act (NAGPRA) as museum property. The IMC has identified inventorying all categories of museum property and complying with NAGPRA as its two top priorities. Please include the following bureau NAGPRA data in conjunction with your Bureau Museum Property Management Summary Report:

- Total funds expended on NAGPRA compliance activities during FY2000, including costs associated with consultation with tribes, repatriation, and accommodation of concerns identified in consultation with tribes; indicate if this amount is included in the total provided for museum property activities, or if the NAGPRA amount is in addition to museum program expenditures.
- Total number of human remains subject to NAGPRA
- Number of human remains for which cultural affiliation has been determined
- Number of human remains repatriated to tribes
- Number of human remains that remain as culturally unidentified
- Total number (for all years) of notices of inventory completion and/or notices of intent to repatriate that your bureau has submitted for publication in the Federal Register
- Briefly discuss current issues, recent accomplishments, and/or next steps related to bureau NAGPRA compliance.

The Departmental Report on Accountability for FY2000 will include summary data and discussion of our accomplishments in meeting our NAGPRA responsibilities.

GPRA Data on Museum Property

The Department's Strategic Plan includes this goal: "Increase the ability of the public to access information about museum and cultural resources and artifacts." A excerpt from the annual performance plan is attached to provide additional explanation of the goal. The performance measures for FY2000 are:

- **Attendance at locations exhibiting cultural and museum objects.** Each bureau should report attendance at the same units used to establish the 1998 baseline. The same units will be tracked in future years to monitor trends.
- **Number of museum collection objects inventoried.** Report the number of objects inventoried in bureau collections at all locations. Report the total number of objects separately for those collections in bureau facilities and in non-federal facilities.



- **Number of bureau sites accessible via the Internet that meet minimum standards.** Minimum standards include providing the size of the collection at each site, the disciplines represented, and the address and phone number for contacting the site for more information about museum property collections housed there. A web page and central contact point for multiple bureau sites with small collections is acceptable.

Stewardship Assets Data for Accountability Report for FY2000

Data submitted in response to this call will be the basis for compiling required supplemental stewardship information that will be reported in the Stewardship Assets section of the Departmental Report on Accountability for FY2000. Note that the completion dates for preparation of the Accountability Report have been moved forward dramatically. Consequently, we hope to have the substance of the Stewardship section completed before September 30, 2000. We are asking that staff in each bureau submit the bulk of their information by September 8, 2000. Very limited data may be submitted after the end of the fiscal year only if those data are unobtainable prior to year end. With the September 8, 2000 submission, you must include a detailed list of data that are unavailable until after year end.

Under the Government Management Reform Act of 1994, Federal agencies are required to prepare annual Accountability Reports. These reports are intended to communicate clear and concise information about the financial and operating performance of the agency, as well as the agency's stewardship over assets and resources entrusted to it. Accordingly, in addition to traditional financial statements and overview information, the Accountability Report must contain a specific section addressing the agency's management of its Stewardship Assets. The Office of Acquisition and Property Management (PAM) and the Office of Financial Management (PFM) will jointly prepare the required supplemental stewardship information for the Department.

Stewardship Assets, in this context, include "stewardship land" and "heritage assets" that we intend to maintain in perpetuity for the benefit of future generations. Stewardship Land is defined as land owned by the Federal government and not acquired for or in connection with other property, plant and equipment. Heritage assets are defined as property, plant, and equipment of historical, natural, cultural, educational, artistic, or architectural significance. In the Department, heritage assets include such things as historic buildings, monuments, and museum collections. Library collections should be reported only if they are "special collections" intended for preservation in perpetuity. Typical circulating libraries should not be reported. Certain assets, such as National Parks, are reported both as acres of stewardship land and as heritage assets.

The Federal Accounting Standards Advisory Board (FASAB) promulgated standards for supplementary stewardship reporting, which became effective for FY1998 and thereafter.



For Stewardship Land, refer to the attached report for FY1999, and update any numbers that have changed in figures 35,37, and 40 on pages 138, 140, and 142. We anticipate that much of the interpretive text for Stewardship Land will remain stable, but please update the text as needed.

For Heritage Assets, FASAB standards require that the following information be reported:

- Description of each major category of heritage asset.
- The number of physical units at year-end and the number of units added and withdrawn from the heritage asset records during the year for each type of heritage asset. Examples include collections such as museum collections, and non-collections such as parks, memorials, monuments and buildings.
- Description of the methods of acquisition and withdrawal of heritage assets.
- Condition of the assets and an estimate of any deferred maintenance related to the assets.

For reporting condition of Cultural Heritage Assets, refer to Figure 42 (page 144) in the FY 1999 report. The format used by the National Park Service provides a good model for the kinds of data to include if they are available. For other classes of Heritage Assets, please provide the best available data about condition to give some indication of the status of our knowledge of these assets.

Additional draft guidance on reporting stewardship assets is posted on the Accounting and Auditing Policy Committee's web site at <http://www.financenet.gov/financenet/fed/aapc/reports.htm>. In past years, the Department's heritage asset reporting included information on museum property, historic structures, archeological and paleontological sites, and national parks and wilderness areas. Note that in the past we have reported limited data regarding heritage assets additions, withdrawals, and conditions. In FY 2000, we hope to continue to improve both the quality and depth of the information covered by the Stewardship Report.

To assist us in achieving as complete a report as possible, please provide data and other information on all heritage assets that are managed by your bureau. The data should be as current as possible given the constraints of the reporting schedule. Data should be submitted by September 8, 2000. Any remaining refinements must be submitted no later than October 20, 2000. For our FY 2000 report, we intend to include information on the following categories:

- Museum Property
- Historic Structures
- Archeological and Paleontological Sites
- National Parks and Wilderness Areas
- Scientific Collections
- Other categories that you believe should be included

The data that you provide should include information required by the FASAB standards. If applicable to stewardship assets in your bureau, please ensure that the information on deferred



maintenance of stewardship assets is consistent with the bureau's overall deferred maintenance information, and that data on deferred maintenance of stewardship assets are distinguishable from deferred maintenance of general property, plant and equipment.

This report provides an excellent opportunity for you to highlight bureau accomplishments in managing stewardship assets. Please submit photographs and/or graphics (and accompanying captions) and any other interesting or informative information that would serve to concisely convey the significance of these resources to the American people.

Bureaus with heritage assets will include a similar Stewardship Assets report in their Bureau Annual Report. Please ensure that data provided in response to this request is consistent with data presented in the Bureau Annual Report.

Please provide information on your bureau's stewardship assets for the Department's stewardship report on heritage assets for FY2000 to PAM no later than **September 8, 2000, including interpretive text, known numbers, and a detailed list of any information that cannot be provided until after the end of the fiscal year. Any remaining data must be submitted no later than October 20, 2000 for data not available earlier.** To facilitate combining the bureau reports into a department-wide report, please send your reports in electronic format via e-mail to both rowilson@os.doi.gov and debra_j_carey@ios.doi.gov. As noted above, these data should include the required elements, as well as any additional information you believe to be appropriate for inclusion in the Department's stewardship report. A copy of the report for FY1999 (attachment 2) is attached as an example, however, with your help we hope to continue to improve this reporting in FY2000. If you have questions, please contact Debra J. Carey, PFM on 202-208-5542 or Ronald C. Wilson, PAM on 202-208-3438.

Attachments

cc: Deputy Chief Financial Officers
Interior Museum Property Committee
Bureau Finance Officers
Bureau Federal Preservation Officers
Bureau Management Control Coordinators
Property Management Partnership

bcc: PAMrdg/subjfile:bab:RWilson-PAM-
PFM:7/18/2000:(O:\Wilson\CallStewardship2000B.doc)



Appendix G: Posting of Post Close Adjustments to the Core Financial Systems

Proposal for Use of Accounting Period 00 for CFO adjustments

(Prepared by participants of the Solomon's Island FY 2000 Financial Statement Workshop)

Background

During the preparation of the financial statements there are adjustments made to the statements that are not timely enough to get into the accounting system (FFS/ABACIS) prior to close. As a result in the subsequent fiscal years the beginning balance for the financial statements (Hyperion) does not match the beginning balance in the accounting system. As part of the workshop in Solomon's Island there was a discussion concerning the use of accounting period 00 (AP 00) for making CFO adjustments, the majority of the bureaus and the IG were in favor of the use of AP 00. The discussion centered around the idea that the use of AP 00 was a more efficient use of resources, more timely and more streamlined process as opposed to the manual reconciliation that is otherwise required. When transactions are entered into accounting period 00 it changes the beginning balance in the system. This will change the accounting system beginning balance to agree to the Hyperion beginning balance.

Methodology for use of Accounting Period 00

The following Methodology was used by BOR, OS and OSM. After all CFO adjustments are identified, documented, written up and placed in the hold status, AP 00 is opened for a very short amount of time possibly an hour or two to process the documents. This is usually done during non-business hours to ensure control of the data. During the nightly cycle this data is added to the information already in AP 00 and the current monthly reports are re-run. None of the bureaus go back and re-create the reports run prior to re-opening AP 00. This is because adjustments are made at such a high level that they generally don't impact program management. When the adjustment is input into AP 00 it goes in at the high level (Bureau) and then it is backed out during the next month's business at the same level. Then the actual document is entered at the cost account (program) level. (See example below.)

Preferred Method: Re-open AP 00 and make all CFO adjustments to the beginning balance.

Pros:

- No reconciliation required off line to ensure that all CFO adjustments are booked.
- OIG preferred methodology because no further review of the beginning balance is needed other than to ensure it matches the ending balance from Hyperion.



- Keeps integrity of the bureau book of record (the accounting system) consistent with the Department's financial statement book of record (Hyperion).

Cons:

- There are risks involved in re-opening AP 00 which include the re-running of extracts and the sequencing of events.

Example:

Adjustment for accrued liabilities which did not get entered into the accounting system in the appropriate fiscal year.

1. Hyperion Adjustment FY 99

610A Operating Expenses
 2110 Accounts Payable
4801 Undelivered Orders
 4901 Unpaid Expenditures

2. Accounting Period AP 00 adjustment entered at high level (Bureau) FY 2000

331A Equity
 2110 Accounts Payable
4801 Undelivered Orders
 4901 Unpaid Expenditures

3. Back out during regular business at high level (Bureau) FY 2000

2110 Accounts Payable
 610A Operating Expenses
4901 Unpaid Expenditures
 4801 Undelivered Orders

4. Actual payment voucher entered to cost accounts (program) during regular business FY 2000

610A Operating Expenses
 2110 Accounts Payable
4801 Undelivered Orders
 4901 Unpaid Expenditures

- The net effect of steps 3 and 4 is a wash. All expense activity and other general ledger account balances and changes accurately reflect current year



business vs. prior year adjustments.

Alternative Method: Do not re-open AP 00, do a manual reconciliation of the beginning balance in Hyperion vs. accounting system.

Pros:

- No additional impact to systems operations

Cons:

- Complicated cumbersome reconciliation which would require extensive resources to accomplish and to explain to the auditors
- Manual adjustments would be required for SF 133, TFS 2108 or FACTS II.
- Adjustments from the prior year would show erroneously as current year activity in financial reports, which might impact program managers.

Comment: The OIG Auditor in charge from BOR suggested that no matter which method used the document type for CFO adjustments should be unique so that the beginning balance can be recreated systematically, this would be especially useful if AP 00 was not re-opened.

Appendix H: List of Hyperion Reports

To be determined.

Appendix I: Master Appropriation Data Verification Request

To be determined.

**Appendix J: FACTS II Data Collection Help Forms**

**FACTS II Attributes
Preparation Worksheet - Budget Office Data
For Each Treasury Account Symbol to be Reported in FACTS II**

	File Size (characters)
Treasury Account Symbol	
Department Regular	<input type="text"/>
Department Transfer (typically blank)	<input type="text"/>
Budget Fiscal Year	<input type="text"/>
Main Account	<input type="text"/>
Sub Account, 000 if not used	<input type="text"/>
Authority Type	<input type="text"/>
Options:	
A - Appropriation	
B - Borrowing Authority	
C - Contract Authority	
D* - Advance Appropriation	
R - Re-appropriation	
S - Spending Authority From Offsetting Collections	
L* - Proceeds of Loan Sales with Resource	
Apportionment Category Code	<input type="text"/>
A - Category A	
B - Category B	
C - Not Subject to Apportionment	
Apportionment Category B Test (Generally Annual)	<input type="text"/>
Public Law Cited	<input type="text"/>
Legislative Indicator	<input type="text"/>
A - Appropriation Act	
C - Continuing Resolution	
S - Supplemental Appropriation	
O* - Authorization Act/Other	
R* - Rescission (enacted)	
D* - Deferral (enacted)	
Reimbursable Flag - How account is offset	<input type="text"/>
D - Direct	
R - Reimbursable	
Indefinite/Definite Flag	<input type="text"/>
D - Definite	
I - Indefinite	
Cohort - Reporting Year for Cohort	<input type="text"/>
Current Permanent Flag - Status of Budget Authority	<input type="text"/>
BEA Category - Budget Enforcement Act	<input type="text"/>
D - Discretionary	
M - Mandatory	
E - Emergency	
Availability Flag - Budgetary Resource Availability	<input type="text"/>
A - Available in current period	
S - Available in subsequent period	

* Indicates valid domain values that are not yet collected by FACTS II for all SGL accounts.

Future - Not Required Now



	File Size (characters)
Transfer Agency - Treasury dept code of agency receiving funds	<input type="text"/> <input type="text"/>
Transfer Account - Treasury account code of receiving agency	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Transfer to From - Type of Transfer F - Transfer From T - Transfer To	<input type="text"/>
Function - Classification of Data	<input type="text"/> <input type="text"/> <input type="text"/>
Deficiency Liquidation Flag - Adjustments made in subsequent years	<input type="text"/>
Deficiency Flag - Is apportionment deficient	<input type="text"/>
Advance Flag - When appropriation took place P - Advanced in Prior Year S - From Future Year	<input type="text"/>



FACTS II Attributes
Preparation Worksheet - Finance Office Data
For Each Treasury Account Symbol to be Reported in FACTS II

Treasury Account Symbol	File Size (characters)
Department Regular	<input type="text"/>
Department Transfer (typically blank)	<input type="text"/>
Budget Fiscal Year	<input type="text"/>
Main Account	<input type="text"/>
Sub Account, 000 if not used	<input type="text"/>
Report year	<input type="text"/>
Report Fiscal Month	<input type="text"/>
SGL Account	<input type="text"/>
Gov/Non Gov	<input type="text"/>
G - Government	
N - Non Government	
Balance Indicator	<input type="text"/>
D - Debit	
C - Credit	
Beg/End	<input type="text"/>
B - Beginning Balance	
E - Ending Balance	
Expended/Unexpended	<input type="text"/>
Transaction Partner	<input type="text"/>
E - Non-Federal Exception	
F - Federal (G)	
X - Non Federal (N)	
Borrowing Source	<input type="text"/>
P - Public (N and all not G-20)	
T - Treasury (G-20)	
F - Federal Financing Bank (Not applicable)	



Appendix K: FACTS II Key Milestones**Third Quarter Pre-production**

Verify Treasury Fund Symbols (TFS) to be reported by each preparer	7/25/00
Determine if parent or child will report allocation accounts	7/25/00
Budget staffs identify budgetary attributes for each TFS	8/1/00
Finance staffs identify SGL accounts and attributes for each TFS	8/1/00
Test computer access to FACTS II using SecurID Cards	8/1/00
Submit test data to FACTS II	8/1/00

Third Quarter Production

Preparers enter and budget staff review third quarter submission of data	8/11/00
Reconcile third quarter FACTS II data with Hyperion database	8/31/00
Reconcile Treasury Fund Symbols reported with MAT	8/31/00

Fourth Quarter Pre-production

Verify Treasury Fund Symbols to be reported by each preparer	10/11/00
Determine if parent or child will report allocation accounts	10/11/00
Budget staffs identify budgetary attributes for each TFS	10/20/00
Finance staffs identify SGL accounts and attributes for each TFS	10/20/00
Test computer access to FACTS II using SecurID Cards	10/20/00
Submit test data to FACTS II	10/20/00

Fourth Quarter Production

Data prepared, reviewed, and certified	11/8/00
Reconcile fourth quarter FACTS II data with Hyperion database	11/30/00
Reconcile Treasury Fund Symbols reported with MAT	11/30/00
Adjust fourth quarter data	1/31/01

**Bulk File Load of FACTS II Data
To Be Determined**



Appendix L: FACTS II Points of Contact

Name	Responsibility/Office	Phone Number	Email Address
Jeff Hoge	Treasury Functional Expert	(202) 874-6179	jeffrey.hoge@fms.sprint.com
Chris Shanfelter	FACTS II Communications Software	(202) 874-8899	chris.shanfelter@fms.sprint.com
Aileen Burgman	FACTS II Administration	(202) 874-9876	aileen.burgman@fms.sprint.com
Crystal Holloman	FACTS II Administration	(202) 874-9896	crystal.holloman@fms.sprint.com
Karyn Dyson	PC Set Up and Connection	(202) 874-8591	karen.dyson@fms.sprint.com
Andrea Cherry	PC Set Up and Connection	(202) 874-6471	andrea.cherry@fms.sprint.com
Rita Cronley	U.S. Government SGL	(202) 874-3833	rita.cronley@fms.sprint.com
Judy Yuran	U.S. Government SGL	(202) 874-6308	judy.yuran@fms.sprint.com
Cheryle Pratt	FACTS II Training Schedule	(202) 874-8270	cheryle.pratt@fms.sprint.com
Phil Daniels	Office of Financial Mgmt	(202) 208-5225	philip_daniels@os.doi
Judy Thomas	Office of Financial Mgmt	(202) 208-6690	judy_thomas@os.doi.gov

Appendix M: FSGT & THUG Points of Contact

To be determined.



Chapter 16

References

A. Financenet

Federal govt. page: www.financenet.gov/fed/fasab/content.htm

FASAB: www.financenet.gov/fed/fasab

AAPC: www.financenet.gov/fed/aapc

JFMIP: www.financenet.gov/fed/jfmip

B. OMB

Main page: www.whitehouse.gov

OMB Bulletin 97-01“Form and Content of Agency Financial Statements”:

www.whitehouse.gov/OMB/financial/index.html

Draft Proposed Technical Amendments to OMB FY 1999 Form and Content

www.whitehouse.gov/OMB/financial/index.html

C. Department of Treasury Financial Management Service

Treasury Financial Manual

www.fms.treas.gov/ussgl

www.fms.treas.gov/cfs/dev